

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE

CITY OF SIOUX CITY, IOWA

FOR THE YEAR ENDED JUNE 30, 2012

PREPARED BY

FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT

CITY OF SIOUX CITY, IOWA
INTRODUCTORY SECTION

**CITY OF SIOUX CITY, IOWA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2012**

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THE COVER

This year's cover portrays "Saturday in the Park", an annual festival held on Sioux City's north side, at the Grandview Park Municipal Bandshell. Saturday in the Park (also known as "SITP" to the locals) began in 1991 and attracts more than 50,000 people from the Midwest area. The event is well known for its wide array of live music, featuring both locally and nationally known acts throughout the day. The festival has hosted such acts as Cee Lo Green, Santana, Steve Winwood, Counting Crows, BB King, The Neville Brothers, and The Black Crowes.

This music festival also features local food and beverage vendors, The Kid's Zone with carnival rides and games, Arts Alley-an open market shopping area featuring local artisans, and a fireworks finale. The event is planned each year on a Saturday near the 4th of July and is free to the public.

ABOUT SIOUX CITY, IA

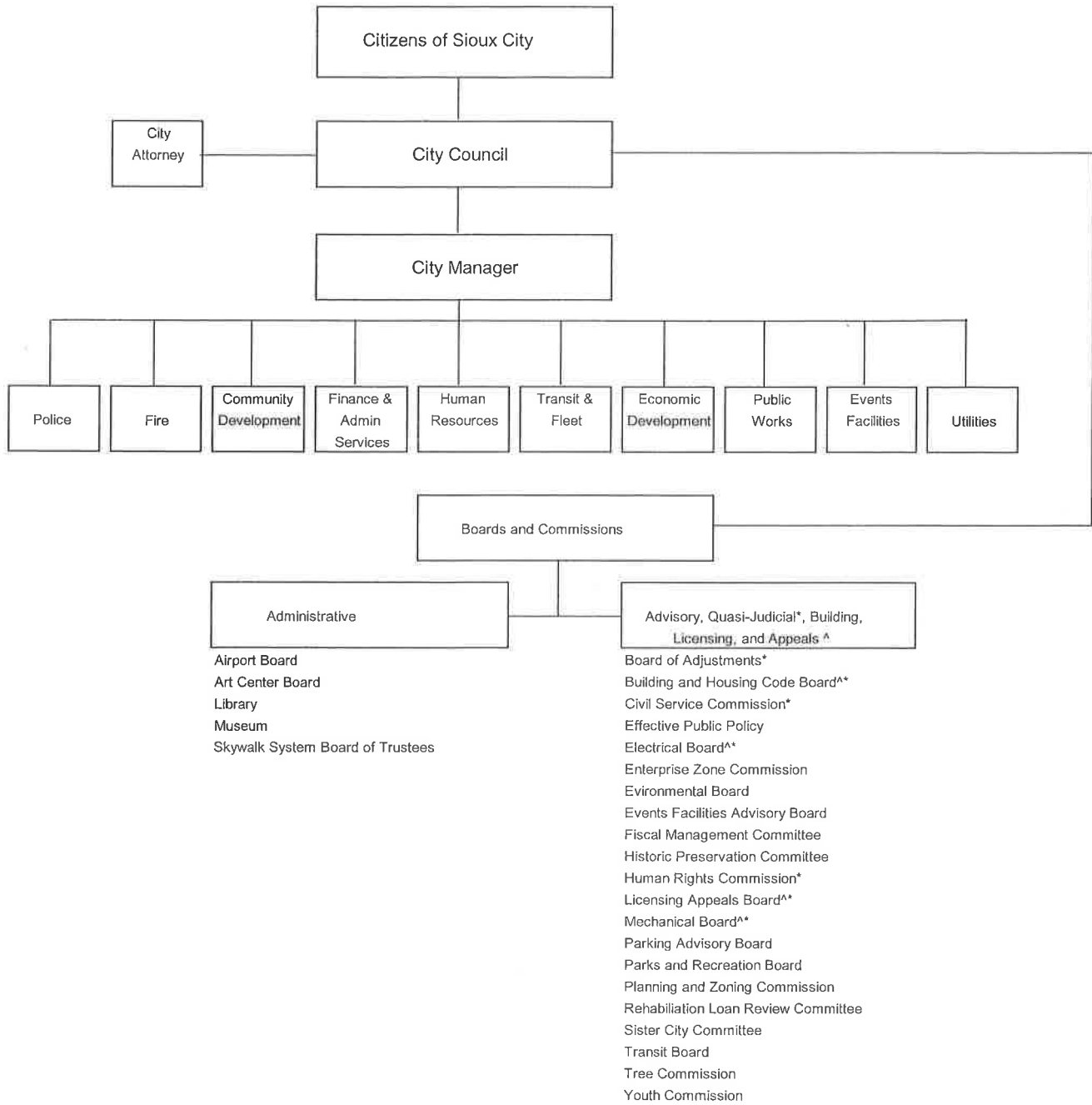
The City of Sioux City, the principal city of northwest Iowa and the county seat of Woodbury County, is located at the confluence of the Missouri and Big Sioux Rivers at the junction of the states of Iowa, Nebraska, and South Dakota. This Tri-State area is known as Siouxland.

Founded in 1854, Sioux City's roots go back to the days of the early fur traders. In the late 1800's, the City was a major transportation and marketing center in the Midwest, only behind St. Louis and Chicago. On April 28, 1953, voters of Sioux City approved the City Council and Manager form of government. In 1962, Sioux City was awarded the "All-America City" status by Look Magazine and the National Municipal League. Sioux City received the "All-America City" designation again in 1990.

More recently, growth in food processing has continued to place Sioux City in the national spotlight. In its 2010 Top 10 Metro Rankings Report, Business Facilities magazine ranked the Sioux City metro as #1 in the Top 5 Metro Food Processing Industry Growth category for the second consecutive year. Also, the City has garnered top 10 rankings for Emerging Logistics/Distribution Centers with less than 500,000 residents and for Economic Growth Potential in an area with less than 200,000 residents.

Today, Sioux City is the fourth largest city in the State of Iowa. The City currently serves as the regional hub for business, employment, industry, retail trade, medical care, educational opportunities and tourism in Northwest Iowa, Southeast South Dakota and Northeast Nebraska. More than 140,000 people live in the tri-state metropolitan area.

Siouxland is also home to the headquarters of several national companies including Tyson Fresh Meats, Sioux Honey Association, American PopCorn, Wilson Trailer, Inc., BPI Technology, Inc., and Great West Casualty Company.



SCHEDULE OF CITY OFFICIALS

June 30, 2012

Elected Officials

Term Expires

Mayor	Robert Scott	January 1, 2016
Mayor Pro Tem	John Fitch	January 1, 2014
Council Member	Thomas Padgett	January 1, 2014
Council Member	Keith Radig	January 1, 2014
Council Member	Rhonda Capron	January 1, 2016

Council Appointed Officials

Date of Appointment

City Manager	Paul Eckert	March 22, 2002
City Attorney	Nicole Jensen-Harris	October 3, 2011
City Clerk	Lisa McCardle	June 24, 2006

City Manager and Board Appointed Officials

Date of Appointment

Airport Acting Director	John Backer	June 1, 2012
Art Center Director	Albert Harris	March 25, 2002
Assistant City Manager	Robert Padmore	June 14, 2008
Director of Human Rights Commission	Karen Mackey	March 22, 2004
Economic Development Director	Martin Dougherty	September 13, 2006
Events Facilities Executive Director	Aran Rush	December 18, 2008
Fire Chief	Thomas Everett	October 13, 2008
Human Resources Director	Bridey Hayes	June 27, 2005
Library Director	Betsy Thompson	June 21, 1995
Museum Director	Steve Hansen	December 17, 2001
Police Chief	Douglas Young	April 1, 2009
Public Works Director	Jade Dundas	September 13, 2010

SIOUXTM
CITY



Offices of the City Manager & Finance Director
City of Sioux City, Iowa
P O Box 447
Sioux City, IA 51102-0447
October 29, 2012

Honorable Mayor
Members of the City Council
Citizens of Sioux City, IA
City of Sioux City, IA

The comprehensive annual financial report of the City of Sioux City, Iowa for the fiscal year ended June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities are included.

Generally Accepted Accounting Principles (GAAP) requires that the City provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the management discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The financial statements and schedules included in this report reflect all the funds of the City in accordance with standards set by the Governmental Accounting Standards Board.

The City has established a comprehensive internal control framework that is designed to compile sufficiently reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The Code of Iowa requires an annual audit be made of the books of accounts, financial records and transactions of all administrative departments of the City by the State Auditor or by a Certified Public Accountant selected by the City Council. The audit for fiscal year 2012 was performed by Williams & Company, Certified Public Accountants. Williams & Company concluded that the City of Sioux City's financial statements for year ended June 30, 2012, are fairly presented in conformity with GAAP. Williams & Company's auditor's report is presented in the financial section of this report.

GOVERNMENT PROFILE

The City of Sioux City was incorporated in 1855, and is located in the northwest part of Iowa. The western border is the Missouri River and abuts the states of Nebraska and South Dakota. The City currently occupies a land area of 60 square miles and serves a population of 82,684.

The City is empowered to levy a property tax on real properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs

periodically when deemed appropriate by the City Council. The City has operated under the council-manager form of government since 1954. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, the City Attorney and the City Treasurer. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms and the mayor is separately elected. The City provides a full range of services.

The following schedule details the available services:

<u>Cultural</u>	<u>Fire Services</u>	<u>Police Services</u>	<u>Utilities</u>
Art Center	Suppression	Patrol	Water
Museum	Prevention	Prevention	Sewer
Library	Training	Investigation	Solid Waste
Events Facilities	Hazardous Materials	Safety	Storm Sewer
<u>Public Works</u>	<u>Community Development</u>	<u>Transportation</u>	
Streets/Bridges/Waters	Planning/Zoning	Airport	
Traffic/Parking	Inspections	Transit	
Engineering	Housing		
Recreation/Aquatics	Economic Development		
Cemeteries	Property		

The State Code of Iowa requires the adoption of an annual budget on or before March 15 of each year, which becomes effective July 1 and constitutes the appropriation for each program specified therein until amended. Any amendments to the City budget must be prepared and adopted in the same manner as the original budget. With the exception of capital improvement projects and encumbrances, all other appropriations, as adopted and amended, lapse at the end of the fiscal year. Encumbrances outstanding at year-end are reported as commitments of fund balances since they do not constitute expenditures or liabilities.

Annual budgets are adopted on the basis consistent with generally accepted accounting principles for all governmental funds. The City's budget is prepared on the modified accrual basis of accounting. The legal level of budgetary control is mandated by State law at the program structure level for all funds rather than at the individual fund level. The City maintains control over the program structure by reviewing estimated purchase amounts prior to release of purchase orders. Purchases orders are encumbered and open encumbrances are reported as reservations of fund balances at June 30.

The Finance and Administrative Services Department is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft or misuse. The Department also ensures that adequate data is compiled to allow for the presentation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The City continues to demonstrate its responsibility for sound financial management through the statements and schedules included in the financial section of this report.

ECONOMIC CONDITION

LOCAL ECONOMY

The Sioux City economy is back to "business as usual" after the devastating Missouri River flood which affected the entire Siouxland summer of 2011. The City was successful in its efforts to prevent contamination of its infrastructure by building berms around the City's water plant, wells and waste water treatment plant. Although the flood waters have receded, the after-effects of the massive flood are still apparent as cleanup and Federal reporting of the flood costs continue. Many businesses located adjacent to the Missouri River were directly affected by the flood such as Bev's on the River and the Hilton Garden Inn, as they were forced to spend large sums of money to build an emergency levy and were forced to close their doors for several months, considerably affecting their revenues.

Many areas of Sioux City unaffected by the flooding continue to develop and prosper.

The new Southbridge water treatment plant located west of I-29 opened May 2012. The \$27.5 million plant can treat up to 30 million gallons of water per day and will provide water to the 400-acre Southbridge Business Park and residents in the Morningside area. Plans to construct Sioux City's second water treatment facility began in 2006 when state officials directed the City to produce another 10 million gallons of water per day when the City lost several of its wells. The City hopes to attract additional manufacturing plants and food processors to the area with the addition of this new water plant.

The newly renovated Pearl Street Historic District adds another entertainment district to Sioux City's downtown area. New facilities in this area include: "McCarthy and Bailey's", an Irish Pub with an attached social gathering area called "The Snug", "Pearl's" a lounge-type bar, "Jitter's" a coffee and luncheon shop and "Alainn", a women's boutique.

The new fire station number four is complete and is located on the corner of Hamilton Boulevard and Stone Park Boulevard. The site for the new station was purchased by the City when the former nursing home that occupied that parcel relocated. The new drive-through station houses both Engine 4 and Tanker 1 and is the headquarters of the Regional Hazardous Materials Team that serves 13 counties in the tri-state area. This multi-bay firehouse allows Sioux City Fire Rescue to house all of the regional HazMat equipment under one roof. The station also includes a HazMat lab for identifying unknown substances safely, a training room, storage, and offices along with the normal firehouse facilities.

Interstate 29 is being reconstructed by the Iowa Department of Transportation to enhance the safety and operation of the interstate through Sioux City. One portion of the reconstruction could last seven years due to upgrading the mainline portion from four lanes to six lanes, upgrading several interchanges and relocating utility lines. Changes were recently made to more efficiently route traffic from the north side to Sioux City's Downtown area and to the Veteran's Memorial Bridge into South Sioux City, Nebraska by reconfiguring Hamilton Boulevard to connect with the newly completed Wesley Parkway.

LONG-TERM FINANCIAL PLANNING

The City of Sioux City issued two series of bonds on June 20, 2012 totaling \$14,475,000. These funds will be used to fund the fiscal year 2013 Capital Improvements Projects. Standard & Poor's designated Sioux City an AA rating, citing the City's strong position as a regional economic and employment center with adequate income levels and market value per capita. Standard & Poor's also notes Sioux City as having very strong reserves, a history of operating surpluses, and low to moderate overall debt burden combined with rapid principal amortization. Moody's Investors Service gave Sioux City an Aa1 rating, citing a stable and diverse tax base serving as a regional service center for northwestern Iowa and surrounding states, and having a long trend of balanced

General Fund operations with unlimited levy authority for certain expenditures which provide additional financial flexibility.

RELEVANT FINANCIAL POLICIES

The City of Sioux City abides by its adopted debt policy. The policy states:

It shall be the policy of the City of Sioux City, Iowa to maintain a debt policy which will provide for proper planning of capital expenditures, financing requirements, and guidelines for the issuance of various debt instruments. The results help secure favorable rating and competitive lower interest costs on all types of borrowing instruments; thereby holding borrowing costs to a minimum and providing a savings to all taxpayers.

It is the City's desire and direction to assure that such debt obligations are issued and administered in such a fashion as to obtain the best long-term financial advantage to the City and its residents, while making every effort to maintain and improve the City's bond ratings and reputation in the investment community.

The City reviews its debt capacity thoroughly each budget year to ensure that it complies with State law, and is at a level that will allow sufficient development projects in the community, while still able to respond to emergencies or unforeseen opportunities. The City adjusts its borrowings or postpones issuance of debt as necessary to abide by its debt policy. The State debt limit is 5% of assessed value, however the City has self-imposed limit of 70% of debt capacity. If the 70% level will be exceeded, the additional debt issuance is to be tied directly to an Economic Development project which will generate an adequate payment to cover the debt service. The City is currently at about 59.76% of its debt capacity.

MAJOR INITIATIVES

Sioux City invests in a wide array of capital improvement projects each year. These projects are funded by issuing bonds and are paid back over a period of 10 years with interest paid every six months.

In fiscal year 2012 the City spent about \$33 million on capital improvement projects. The largest projects were: Annual Infrastructure \$7.4 million, Southbridge Water Plant, \$6.5 million, Wesley Parkway Reconstruction \$3.6 million, and Waste Water Treatment Plant, \$3.5 million.

The City expects to spend significant capital amounts in fiscal year 2013. The City will continue to make improvements to the Waste Water Treatment Plant with \$5.1 million budgeted for fiscal year 2013, and expects to conclude the project by fiscal year 2014. The City has planned for over \$17 million in street maintenance projects which includes \$1.8 million for annual resurfacing, \$7 million for annual infrastructure and \$1.35 million for annual bridge repairs. Capital improvements to the Wilbur Aalfs Library are budgeted at just over \$1 million for fiscal year 2013, with a total project cost of \$1.6 million. The refurbishing project will upgrade the entire library, especially electronic and computer-based services.

The City continues to pursue development opportunities in areas of the City where growth and expansion prospects exist. The Northern Valley Community Development area on Floyd Boulevard across from Wal-mart will start to flourish with the addition of Pizza Ranch in the near future, and other prospectively interested businesses. The downtown area offers several sites which would appeal to specific business opportunities, such as the Terra Building, the former Delta site, and the Badgerow Building.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

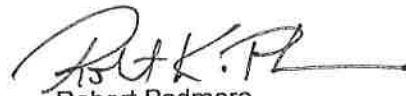
A Certificate of Achievement is valid for a period of one year only. The City of Sioux City, Iowa has received a Certificate of Achievement every year since fiscal year 1984 except for fiscal year 1996 and 1998. We believe that our current report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate. The fiscal year 1996 report's production was delayed past the submittal deadline because of the City's financial application software change at the beginning of the fiscal year. The fiscal year 1998 report's production was delayed past the submittal deadline because of changes in personnel and software.

Acknowledgment - The preparation and completion of the 2012 Comprehensive Annual Financial Report was made possible by the dedicated service of Finance Division employees. Each member of the Division has our sincere appreciation for the contributions they made toward this report. Sioux City is very fortunate to have such excellent, versatile and dedicated people.

In closing, without the leadership and support of the City Council, the preparation of this report would not have been possible.

Respectfully Submitted,


Paul Eckert
City Manager


Robert Padmore
Assistant City Manager
Finance and Administrative Services

SIOUXTM CITY

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Sioux City
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Linda C. Sandison

President

Jeffrey R. Enen

Executive Director



CITY OF SIOUX CITY, IOWA
FINANCIAL SECTION



705 Douglas Street, Suite 214
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Sioux City, IA 51101
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INDEPENDENT AUDITORS' REPORT

Honorable Mayor,
Members of the City Council
City of Sioux City, Iowa

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the CITY OF SIOUX CITY, IOWA (the City) as of and for the year ended June 30, 2012 which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City. Our responsibility is to express opinions on the financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sioux City, Iowa as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2012 on our consideration of the City of Sioux City, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, OPEB Schedule of Funding Progress, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic

financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Introductory Section, Other Financial Information and Statistical Information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Sioux City, Iowa. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

The accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the accompanying Schedule of Expenditures of Passenger Facility Charges is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and they are not a required part of the basic financial statements. The combining nonmajor fund financial statements, the schedule of expenditures of federal awards and the schedule of expenditures of passenger facility charges are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Williams & Company, P.C.
Certified Public Accountants

Sioux City, Iowa
October 29, 2012



Management Discussion and Analysis

June 30, 2012

This discussion and analysis of the City of Sioux City's financial performance provides an overview of the City's financial activities for the fiscal year ending June 30, 2012. We encourage the readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal on page xi and the City's financial statements which follow this report.

Financial Highlights

- The assets of the City of Sioux City exceeded liabilities at June 30, 2012, by \$445,025,489. Of this amount, \$16,924,767 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net assets increased by \$16,306,475 during the year. Of this amount the net assets of our Governmental Activities increased \$8,652,580 and the net assets of our Business-Type Activities increased \$7,653,895.
- The largest factor in the increase in net assets was the amount by which capital outlays exceeded depreciation, \$15,825,761.
- The City's long term debt increased \$14,712,433 (6.3%). Contributing to the increase was the issuance of one series of general obligation bonds totaling \$14,475,000. The bond proceeds were used to fund the fiscal year 2013 Capital Improvement Program. Notes payable increased by \$17,879,590 in the enterprise funds due to additional State Revolving Loans relating to the new Southbridge Water Plant. Outstanding General Obligation debt totals \$108,490,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to the Management Discussion and Analysis, this annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government. An additional part of the basic financial statements are the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

One of the most important questions asked about the City's finances is, "Is the City of Sioux City in a better financial position at the end of this fiscal year, compared to last year?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is very similar to the method of accounting used by most private-sector companies. These two statements report the City's net assets, which is the difference between assets and liabilities, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Additional factors, such as changes in the City's property tax base and sales tax collections and condition of the City's infrastructure are also important in making this determination.

In the Statement of Net Assets and the Statement of Activities, we have divided the City into two kinds of activities:

- **Governmental Activities** - Most of the City's basic services are reported here, such as Police, Fire, Public Works and Parks departments, and General Administration. Property taxes and state and federal grants finance most of these activities.
- **Business-Type Activities** - The City charges fees to customers to cover the cost of these services. Included here are the City Water, Sewer, Solid Waste, Airport and Parking funds.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law or by bond requirements. The City Council also establishes funds to control and manage money for particular purposes (such as construction projects) and to show that it is properly using certain revenues (such as Sales Tax Revenues). The City has the following types of funds:

- **Governmental Funds** - Most of the City's basic services are included in governmental funds, which focus on how money moves into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using the "modified accrual basis" of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs. We describe the relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation following each Governmental Fund financial statement.

- **Proprietary funds** - When the City charges customers for the service it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. The major difference between the proprietary funds report and the business-type activities reported in the government-wide statements is the detail and additional information, such as cash flows, provided in the proprietary funds report.

THE CITY AS TRUSTEE

Reporting the City's Fiduciary Responsibilities

Fiduciary funds are used to account for resources held for the benefit of parties outside the City government. The City is the trustee, or fiduciary, for the Woodbury County Information and Communications Commission funds which can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found behind the Fiduciary funds statements.

THE CITY AS A WHOLE

As stated earlier, net assets may serve over time as a useful indicator of a government's financial position. The largest part of the City's net assets reflects its investment in capital assets (land, buildings and improvements, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following comparison chart shows the changes in net assets for the years ended June 30, 2012, and 2011:

	General Governmental Activities	
	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$146,022,594	\$151,877,690
Capital Assets	<u>361,667,089</u>	<u>346,306,655</u>
Total Assets	507,689,683	498,184,345
Other Liabilities	57,114,239	56,824,988
Long-Term Liabilities Outstanding	<u>141,174,833</u>	<u>140,611,326</u>
Total Liabilities	198,289,072	197,436,314
Net Assets:		
Invested in Capital Assets, Net of Related Debt	259,727,010	240,923,862
Restricted	62,015,849	68,250,122
Unrestricted	<u>(12,342,248)</u>	<u>(8,425,953)</u>
Total Net Assets	<u>\$309,400,611</u>	<u>\$300,748,031</u>

This summary reflects an increase in total net assets of 2.88% for the governmental activities and an increase of 5.98% in the business-type activities.

The restricted portion of net assets (13.9%) is subject to external restrictions on how these resources may be used. The remaining balance of unrestricted net assets (\$16,924,767) may be used to meet any ongoing obligations to citizens and creditors.

The government's net assets increased \$16.3 million during the current fiscal year which can be attributed to the fact that revenues have once again exceeded expenses.

Business-Type Activities		Totals	
2012	2011	2012	2011
\$38,965,096	\$29,774,733	\$184,987,690	\$181,652,423
<u>255,214,721</u>	<u>242,230,775</u>	<u>616,881,810</u>	<u>588,537,430</u>
294,179,817	272,005,508	801,869,500	770,189,853
7,739,781	11,183,883	64,854,020	68,008,871
<u>150,815,158</u>	<u>132,850,642</u>	<u>291,989,991</u>	<u>273,461,968</u>
158,554,939	144,034,525	356,844,011	341,470,839
106,357,863	111,463,154	366,084,873	352,387,016
		62,015,849	68,250,122
<u>29,267,015</u>	<u>16,507,829</u>	<u>16,924,767</u>	<u>8,081,876</u>
<u>\$135,624,878</u>	<u>\$127,970,983</u>	<u>\$445,025,489</u>	<u>\$428,719,014</u>

Governmental activities increased 2.88% while Business-Type Activities increased 5.98%. Details of the changes in net assets are shown as follows:

Revenue Source	Governmental Activities	
	2012	2011
Program Revenues:		
Charges for Services	\$16,178,287	\$19,415,453
Operating Grants and Contributions	21,777,329	21,909,868
Capital Grants and Contributions	8,856,243	8,711,966
Total Program Revenues	46,811,859	50,037,287
General Revenues :		
Property Taxes	47,856,978	48,720,069
Franchise Taxes	2,174,884	2,363,862
Hotel-Motel Taxes	1,263,522	1,245,787
Local Option Sales Taxes	11,147,414	11,138,684
Interest	588,020	669,439
Revenue from the Sale of Uncapitalized Property	376,449	694,982
Miscellaneous	1,467,847	1,541,054
Net Gain on Sale of Capital Assets	90,008	9,165
Total General Revenues	64,965,122	66,383,042
Total Revenues	111,776,981	116,420,329
Expenses:		
Public Safety	35,153,307	33,066,562
Public Works	18,146,262	18,462,437
Culture and Recreation	19,105,473	18,629,284
Community and Economic Development	14,093,979	13,195,482
General Government	10,023,938	10,164,915
Investment in Joint Venture	297,372	---
Debt Service	5,784,156	6,008,221
Airport	---	---
Water	---	---
Sewer	---	---
Solid Waste	---	---
Parking	---	---
Skyway System	---	---
Total Expenses	102,604,487	99,526,901
Increase in Net Assets Before Transfers	9,172,494	16,893,428
Transfers	(519,914)	(2,280,052)
Increase in Net Assets	8,652,580	14,613,376
Net Assets -Beginning of Year	300,748,031	286,134,655
Net Assets	\$309,400,611	\$300,748,031

Business-Type Activities		Totals	
2012	2011	2012	2011
\$41,323,744	\$36,610,945	\$57,502,031	\$56,026,398
435,479	598,268	22,212,808	22,508,136
941,572	9,067,435	9,797,815	17,779,401
42,700,795	46,276,648	89,512,654	96,313,935
---	---	47,856,978	48,720,069
---	---	2,174,884	2,363,862
---	---	1,263,522	1,245,787
---	---	11,147,414	11,138,684
387,506	360,359	975,526	1,029,798
---	---	376,449	694,982
150,356	114,930	1,618,203	1,655,984
---	1,029	90,008	10,194
537,862	476,318	65,502,984	66,859,360
43,238,657	46,752,966	155,015,638	163,173,295
---	---	35,153,307	33,066,562
---	---	18,146,262	18,462,437
---	---	19,105,473	18,629,284
---	---	14,093,979	13,195,482
---	---	10,023,938	10,164,915
---	---	297,372	---
---	---	5,784,156	6,008,221
4,489,545	4,083,451	4,489,545	4,083,451
11,690,391	10,354,948	11,690,391	10,354,948
13,213,218	14,488,052	13,213,218	14,488,052
4,758,852	4,630,860	4,758,852	4,630,860
1,570,589	1,549,100	1,570,589	1,549,100
382,081	312,635	382,081	312,635
36,104,676	35,419,046	138,709,163	134,945,947
7,133,981	11,333,920	16,306,475	28,227,348
519,914	2,280,052	---	---
7,653,895	13,613,972	16,306,475	28,227,348
127,970,983	114,357,011	428,719,014	400,491,666
\$135,624,878	\$127,970,983	\$445,025,489	\$428,719,014

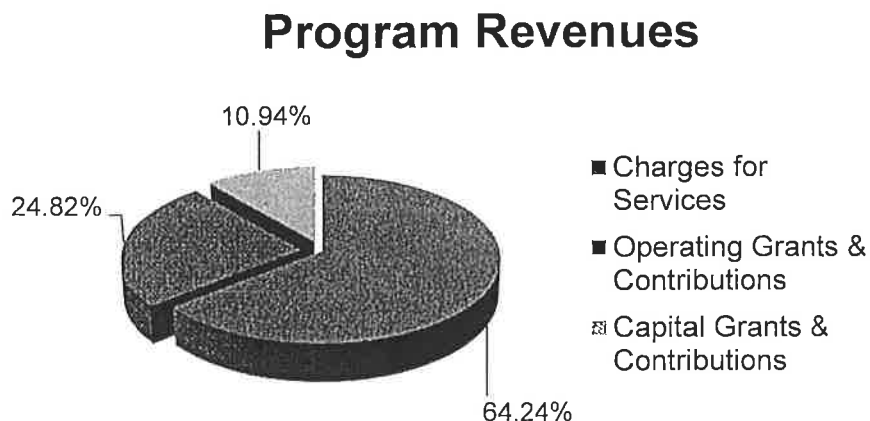
Program revenues totaled \$89,512,654 for fiscal year 2012. Governmental Activities provided \$46,811,859 and Business-Type Activities provided \$42,700,795. Revenue collected for Charges for Services during fiscal year 2012 was \$57,502,031 accounting for approximately 64% of the total program revenues

Governmental charges for services decreased about \$3 million. At the government-wide level, red light and speed cameras contributed to the charges for services increase of \$1.4 million in the General Fund. But this increase was off-set by a net decrease in expenses of \$4.6 million due to damage settlement increases in the Comprehensive Insurance Fund.

Governmental operating grants decreased \$132,000. Public Safety operating grants increased \$947,000 due to Federal Emergency Management Agency (FEMA) reimbursements for the Missouri River Flood of 2011. Public Works operating grants decreased \$549,000 due to slower draws on Iowa Department of Transportation (IDOT) grants for projects. Culture and Recreation contributions increased \$53,000 for Art Center Association salary contributions. Community and Economic Development operating grants for Lead-Based Paint Programs from American Recovery and Reinvestment Act (ARRA) decreased \$1.08 million due to decreased funding. Debt Service operating grants increased \$500,000 due to Woodbury County reimbursements.

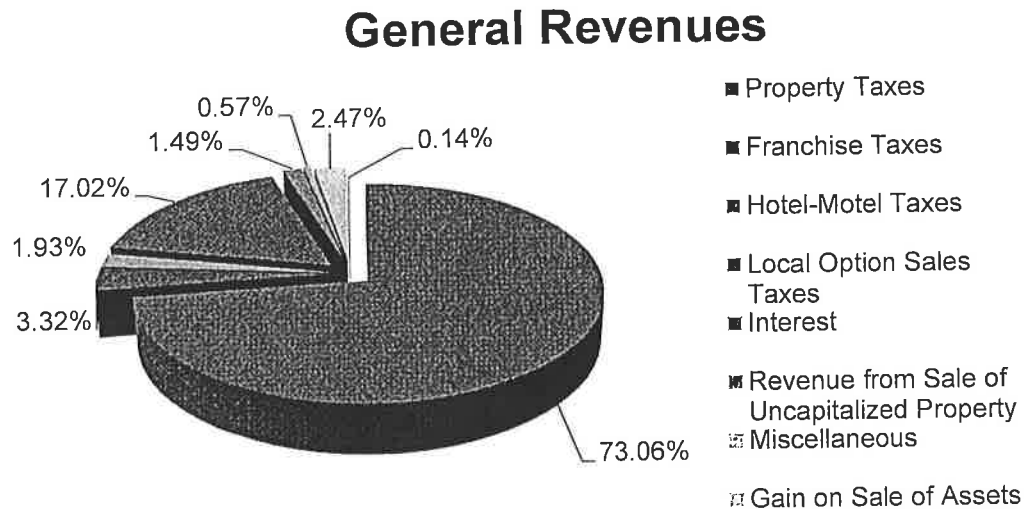
Governmental capital grants increased \$144,000. Capital grants increased \$3.7 million for Public Works due to receipts from the IDOT for road projects. Culture and Recreation had a decrease in capital grants relating to the City's new Museum, consisting of a decrease of \$900,000 in Vision Iowa grants and a decrease of \$2.63 million in private donations specifically for the new museum. General Governmental capital grants increased \$200,000 due Woodbury County payments and \$234,000 due to a capital grant received from the Iowa Jobs Board for the new City Operations Facility. Community and Economic Development capital grants decreased \$444,000 mainly due to funds received in 2011 for the Milwaukee Railroad Shop. In the Business-Type funds, the Airport capital grants decreased \$584,000 due to a decrease in ARRA assistance from the Federal Aviation Administration (FAA) for airport terminal renovations. Water capital grants decreased \$7.5 million due to receiving an I-Jobs Grant from the Iowa Finance Authority in 2011 relating to construction of the new Southbridge Water Plant.

The following chart breaks down program revenues by source:



General Revenues for fiscal year 2012 totaled \$65,502,984, which is \$1,356,376 less than fiscal year 2011. Governmental Activities provided \$64,965,122 and Business-Type Activities provided \$537,862. Property tax revenues for fiscal year 2012 totaled \$47,856,978, accounting for 73% of General Revenues, but \$863,091 lower than fiscal year 2011 due to a lower tax levy. Total interest income decreased \$54,272 due to continued low rates of return.

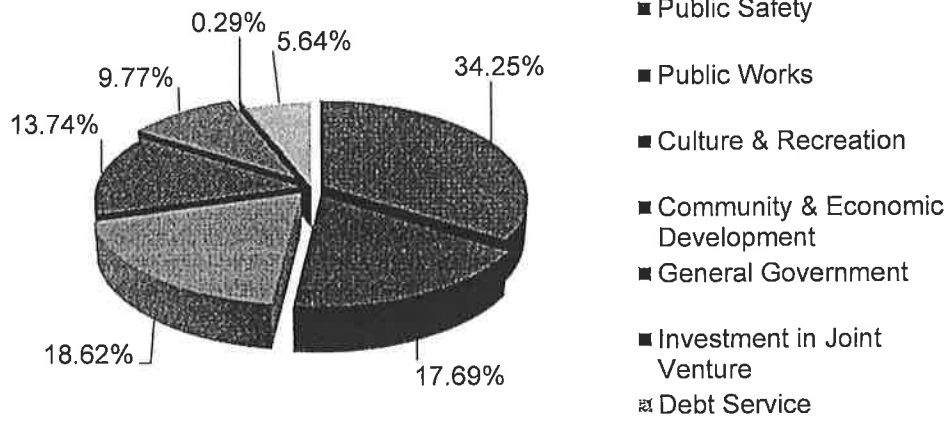
The following chart breaks down General Revenues by source:



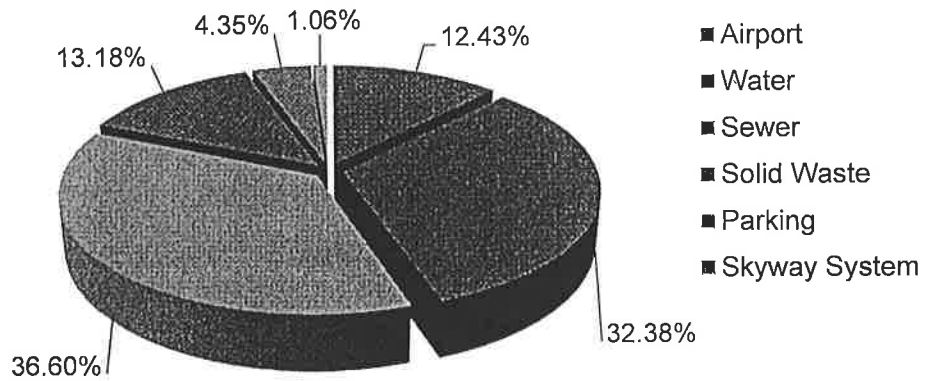
Expenses for fiscal year 2012 totaled \$138,709,163. Expenses for General Governmental Activities totaled \$102,604,487 accounting for 74% of total expenses. Business-Type Activity expenses totaled \$36,104,676 for 26% of the total.

Public Safety expenses increased \$2.08 million due to contractual obligations relating to employee wages and State mandated increases in the retirement funding. Culture and recreation expenditures increased \$476,000 due to flood-related supplies and services. Community and Economic Development expenses increased \$898,000 due work done on the Interstate 29 Yards Business Park. Airport expenses increased \$406,000 due to the operations of a new airport restaurant and the start-up of a new airline. The Water fund expenses increased \$1.3 million due to the coming online of a new water plant in the Southbridge Area. The Sewer fund expenses decreased \$1.3 million due to ending contracted operations of the Waste Water Treatment Plant. The expenses are shown on the following page:

Governmental Expenses



Business-Type Expenses



The following table shows the activities included within each program level:

Program Level	Activity
Public Safety	Individual and Community Protection, Physical Health
Public Works	Public Service, Utilities, Transportation
Culture and Recreation	Education and Culture
Community and Economic Development	Housing and Community Development
General Government	Policy and Administration
Debt Service	Debt

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balance. Please note that the expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue calculation. This format highlights the respective financial burden that each of the functions place on the taxpayers. For example, for Public Safety, the City spent \$35,153,307 and received \$3,974,388 in revenue thus leaving a cost to the taxpayer of \$31,178,919 to be funded by various methods. This format also identifies how much each function draws from general revenues or is self-financing through fees or grants. Some of the individual line item revenues reported for each function are:

Public Safety	Fines, COPS Grants, Block Grants
Community and Economic Development	HUD Grants, Building Permits, Licenses
General Government	Internal Service – Charges for Services

The total cost of governmental activities this year was \$102,604,487. Of these costs, \$16,178,287 was paid by those who directly benefited from the programs. Costs paid by other governments and organizations that subsidized certain programs with grants and contributions were \$30,633,572, leaving a Net Expense of \$55,792,628 for governmental activities. These expenses were covered with tax revenues, interest and other general revenues. The Statement of Activities in the financial section provides further detail. The Net (Expense) Revenue by governmental activity is shown in the following table:

<u>Functions/Programs</u>	<u>Net (Expense) Revenue</u>	
	<u>FY12</u>	<u>FY11</u>
<u>Governmental Activities</u>		
Public Safety	\$(31,178,919)	\$(29,900,103)
Public Works	4,143,278	428,735
Culture & Recreation	(12,551,390)	(8,513,309)
Community & Economic Development	(5,329,814)	(2,898,380)
General Government	(5,294,255)	(2,657,142)
Investment in Joint Venture	(297,372)	---
Debt Service	(5,284,156)	(5,949,415)
Total Net (Expense) Revenue		
Government Activities	(55,792,628)	(49,489,614)
General Revenues & Transfers	64,445,208	64,102,990
Change in Net Assets	\$8,652,580	\$14,613,376

Total resources available during the year to finance governmental operations were \$412,005,098, consisting of Net Assets at July 1, 2011 of \$300,748,031, Program Revenues of \$46,811,859, General Revenues of \$64,965,122 and Transfers of \$(519,914). Total Governmental Activities during the year expended \$102,604,487; thus, Net Assets were increased by \$8,652,580 to \$309,400,611.

Business-Type Activities

Business-type activities increased the City's net assets by \$7,653,895.

The cost of all Proprietary activities this year was \$36,104,676. As shown in the Statement of Activities, the amounts paid by users of the systems was \$41,323,744, and \$1,377,051 was funded from grants and contributions, resulting in total net revenue for business-type activities of \$6,596,119. As discussed in the revenue section, Airport capital grants decreased \$584,000 due to a decrease in assistance from the Federal Aviation Administration (FAA) for terminal renovations. Water capital grants decreased about \$7.1 million due to receiving an I-Jobs Grant from the Iowa Finance Authority in 2011 relating to construction of the new Southbridge Water Plant.

The Net (Expense) Revenue by Business-Type Activity is shown in the following table:

<u>Business-Type Activities</u>	<u>Net (Expense) Revenue</u>	
	<u>FY12</u>	<u>FY11</u>
Airport System	\$(1,776,558)	\$(889,998)
Water System	2,551,373	9,447,125
Sewer System	6,073,239	2,712,773
Solid Waste System	(172,261)	(157,696)
Parking	(147,204)	(254,602)
Skyway System	67,530	---
Total Net (Expense) Revenue Business-Type Activities	6,596,119	10,857,602
General Revenues & Transfers	1,057,776	2,756,370
Change in Net Assets	\$7,653,895	\$13,613,972

Total resources available during the year to finance Proprietary Fund activities were \$171,729,554, consisting of Net Assets at July 1, 2011 of \$127,970,983, program revenues of \$42,700,795, General Revenues of \$537,862, and transfers of \$519,914. Total Proprietary Fund Activities during the year expended \$36,104,676, thus Net Assets were increased by \$7,653,895 to \$135,624,878.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Fund balances that are not categorized as non-spendable, restricted, or committed may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. The City's governmental funds reported combined ending fund balances of \$70,452,796, a total decrease of \$6,655,576 from the prior year.

The General Fund is the primary operating fund of the City. The fund balance of \$8,361,803 is approximately 17.8% of expenditures, which is at the upper end of the City's goal of a fund balance between 12% and 20% of expenditures. During the year, revenues exceeded expenditures in the general fund by \$69,392, a decrease of \$17,090 from fiscal year 2011. Regulatory fees increased \$1.1 million due to revenue increases from the Redflex Speed cameras located along Interstate-29. As referenced at the government-wide level, intergovernmental revenue increased \$947,000 due to Federal Emergency Management Agency (FEMA) reimbursements for the Missouri River Flood of 2011.

The Debt Service Fund is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for, and the payment of, general long-term debt principal, interest and related costs. The fiscal year 2012 fund balance increased \$519,828. The increase in the fund balance is the result of net transfers in of \$2,855,419. The majority (99.9%) of the fund balance is restricted for debt service, and the remaining fund balance is committed.

The Capital Improvements Fund accounts for and reports all financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities, excluding those financed by Proprietary Funds and Fiduciary Funds. Intergovernmental revenue increased \$3.7 million for Public Works road projects while Culture and Recreation had a \$900,000 decrease in Vision Iowa capital grants related to the new museum. Interest decreased \$120,000 due to decreased returns and contributions decreased \$2.63 million due to receipts in fiscal year 2011 for the new museum. Capital expenditures increased \$550,000, due to the timing of construction projects in which funds are borrowed in one year and spent in another fiscal year.

The Enterprise Funds, which account for operations that are similar to a private business, had total net assets increase by \$7,653,895 in fiscal year 2012. The funds with the largest net asset increases were the Water Fund and the Sewer Fund. Charges for services increased for both the Water and Sewer Funds due to rate increases of 4% and 8.5% respectively. The Water Fund Intergovernmental revenues decreased \$7.5 million due to receiving an I-Jobs Grant from the Iowa Finance Authority in fiscal year 2011 relating to the new Southbridge Water Plant. Sewer supplies and services decreased \$2.8 million and employee services increased \$1 million which reflects the City's termination of the American Water contract for an entire fiscal year and conducting operations under the City's management. Interest expense increased in both the Water and Sewer Funds due to additional State Revolving Loan funds received for the new water plant and the new waste water treatment plant.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2012 original (adopted) General Fund amount of \$55,287,883 to the final budget amount of \$81,231,987, shows a net increase of \$25,944,104.

Original Budget	Encumbrances	Beginning Balance	Supplemental Changes	Final Budget
\$55,287,883	\$418,020	\$55,705,903	\$25,526,084	\$81,231,987

The following table shows the General Fund budget variances by program structure:

	Amended Budget	Actual	Variance Over (Under) Amended Budget
<u>EXPENDITURES</u>			
Public Safety	\$39,125,169	\$32,366,441	\$(6,758,728)
Public Works	1,830,649	1,690,865	(139,784)
Culture & Recreation	20,438,412	8,554,008	(11,884,404)
Community & Economic Development	918,821	827,749	(91,072)
General Government	12,801,447	3,422,458	(9,378,989)
	75,114,498	46,861,521	(28,252,977)
Transfers Out	6,117,489	5,720,739	(396,750)
Total Expenditures	\$81,231,987	\$52,852,260	\$(28,649,727)

The City complied with statutory requirements and did not exceed the budget by program structure.

In fiscal year 2012, appropriations increased \$25.5 million between the original budget and the final amended budget. Public Safety increased \$7.1 million, Culture and Recreation increased \$12.4 million, and General Government increased \$6 million all due to additional grants received during the fiscal year and due to accrual and year-end budget adjustments.

CAPITAL ASSETS

The City's investment in capital assets, including land, building and improvements, equipment, streets, sewer systems, lighting systems, traffic signals and other infrastructure represents the value of the resources utilized to provide services to our citizens. The investment in capital assets as of June 30, 2012 was \$366,084,873 (net of accumulated depreciation and outstanding financings). This is an increase of \$13,697,857 (3.9%) from fiscal year 2011. The gross additions to capital assets for fiscal year 2012 are as follows:

	General Governmental Activities		Business-Type Activities	
	2012	2011	2012	2011
Land	\$2,140,832	\$744,818	\$194,511	\$150,000
Infrastructure	4,966,388	18,174,353	---	---
Buildings	11,041,581	9,518,125	6,536,115	---
Improvements-Other than Buildings	194,833	752,830	7,666,762	11,368,775
Equipment	2,426,557	3,555,960	567,591	668,359
Construction in Progress	19,902,006	17,068,007	20,081,652	49,345,340
Total Gross Additions	<u>\$40,672,197</u>	<u>\$49,814,093</u>	<u>\$35,046,631</u>	<u>\$61,532,474</u>

	Totals	
	2012	2011
Land	\$2,335,343	\$894,818
Infrastructure	4,966,388	18,174,353
Buildings	17,577,696	9,518,125
Improvements-Other than Buildings	7,861,595	12,121,605
Equipment	2,994,148	4,224,319
Construction in Progress	39,983,658	66,413,347
Total Gross Additions	<u>\$75,718,828</u>	<u>\$111,346,567</u>

The majority of the expenditures for capital outlays were incurred by the Capital Improvement Fund. Building improvements were the major capital outlay for Governmental Activities in fiscal year 2012 and included: Sioux City Public Museum, Refurbishing the Main Library and the Convention Center Kitchen Remodel. The expenditures in infrastructure included Pierce Street Reconstruction, Fairmount Street, Villa Avenue and Hamilton Boulevard. Land was acquired for the Sabre Industries Inc. Development. New equipment included licensed vehicles acquired by the City's Central Maintenance Garage fund which is an Internal Service Fund. Construction in

progress included King's Highway Bridge, Harbor Drive, Wesley Parkway, I-29 Yards and West 19th Reconstruction.

For Business-Type Activities, construction in progress included the Southbridge Water Plant, and the renovation of the Waste Water Treatment Plant. Improvements include the Airport terminal renovation.

See Note 4 to the financial statements for more information on the City's capital assets.

DEBT ADMINISTRATION

At year end, the City had \$249,194,512 of debt outstanding. This is an increase of \$14,712,433 from the prior year. Of this amount \$100,336,458 is to be paid from tax sources (primarily local option sales tax, general taxes and Tax Increment Funds). \$148,856,858 is to be repaid from the City's Municipal Enterprises. The fiscal year 2013 bonds were borrowed in fiscal year 2012 due to favorable markets.

Debt administration is conservative since all City general obligation debt is to be repaid within the next 12 years. This rapid repayment when combined with the use of Tax Increment Financing and Local Option Sales Tax Revenue has allowed the City to maintain our Aa1 bond rating. This rating is the second highest possible rating and reflects well on our community.

Major projects for fiscal year 2013 include: Sabre Communications, I-29 Yard Business Park, annual infrastructure reconstruction, annual resurfacing and Gordon Drive Street Lights.

The City continues to operate well under State debt capacity limitations. The State limits the amount of General Obligation Debt outstanding to 5% of the assessed value of all taxable property in the community. The City's debt capacity is \$186,844,264. With outstanding general obligation debt applicable to this limit of \$99,576,761, the City is utilizing 53.41% of this limit. More detailed information on debt administration is provided in Note 6 of the financial statements.

ECONOMIC FACTORS

Sioux City faces many economic challenges that many other municipalities across Iowa must tackle each year when developing the budget. Iowa's rollback factor is one major factor. This adjustment to the assessed valuation can substantially lower the City's tax revenue. This effect combined with increased costs for supplies and services can often limit the City's ability to effectively meet the needs of its citizens. Road maintenance is one major portion of those services that Sioux City must provide that is proving much more difficult since State funding for road use cannot entirely fund those costs. Another issue is the salary and benefits obligations, which include the City's group health insurance. These costs have increased substantially over the last few years and can be expected to continue in that direction.

The City is doing its best to bring new growth to the area even when economic conditions are unstable. Utilization of its Tax Increment Financing (TIF), specifically in the Donner area, has allowed the City to develop the southern portion of the City's boundaries, appropriately termed "Southbridge", which is near the City's airport. The new development will increase the property tax base and support necessary City amenities. Sabre Communications will be the first tenant in the Southbridge Business Park and will build an \$18 million, 192,000 square foot plant. The seven-building expansion project will retain 214 jobs and create an additional 192 full-time positions. The plant is scheduled open early in the spring of 2013.

Expedition Business Park, also near the Airport, will also have two new facilities in the near future. Titan Machinery will build a new dealership at the corner of Expedition Court and

Discovery Boulevard, and plans to add 8 to 10 new jobs. Ziegler Caterpillar will build a \$6 million 19,000 square foot expansion to its current facility on Harbor Drive.

St. Luke's Health System will construct the Sunnybrook Medical Plaza, which will be located on 17 acres in Morningside near Target and Lowe's. The \$26.7 million medical facility will house outpatient services, urgent care, cardiology, imaging, pharmacy, maternal-fetal medicine and pulmonary care.

Sioux City has successfully utilized the Targeted Jobs program offered by the State of Iowa. This program is an extremely valuable tool in the creation and retention of high-paying jobs, and in leveraging millions of dollars in new capital investment. It allows the diversion of withholding funds paid by an employer to be matched by the City to create economic incentives that can be directed toward the growth and expansion of targeted businesses located within Urban Renewal areas. Since its creation, the program has retained 1110 jobs and created 481 jobs. The jobs incentivized through this program have an average hourly wage of just under \$32.00, nearly twice the county average wage. Since 2007, 32 active projects in Sioux City have been awarded \$21.2 million in withholding tax credits, leveraging nearly \$103 million in new capital investment.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the City Finance and Administrative Services Department at 712-279-6207.

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CITY OF SIOUX CITY, IOWA
BASIC FINANCIAL STATEMENTS

**CITY OF SIOUX CITY, IOWA
STATEMENT OF NET ASSETS
JUNE 30, 2012**

EXHIBIT 1

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 71,259,879	\$ 28,206,611	\$ 99,466,490
Accounts Receivable	1,778,813	7,597,243	9,376,056
Accrued Interest Receivable	920,568	36,844	957,412
Notes Receivable	8,438,765	1,000	8,439,765
Special Assessments	1,923,377	30,301	1,953,678
Due from Other Governments	60,396,905	1,929,656	62,326,561
Internal Balances	199,811	(199,811)	---
Inventories, at Cost	424,004	7,631	431,635
Prepaid Items	204,515	45,840	250,355
Internal Balances - Note Receivable	59,278	(59,278)	---
Bond Issue Costs	416,679	1,369,059	1,785,738
Capital Assets not being depreciated:			
Land	45,427,544	3,403,534	48,831,078
Construction in Progress	79,648,412	149,755,164	229,403,576
Capital Assets net of accumulated depreciation:			
Infrastructure	109,876,562	---	109,876,562
Buildings	80,134,101	18,405,864	98,539,965
Buildings under Capital Lease	2,878,000	---	2,878,000
Improvements other than buildings	34,719,076	81,690,688	116,409,764
Equipment	8,983,394	1,959,471	10,942,865
Total Assets	<u>507,689,683</u>	<u>294,179,817</u>	<u>801,869,500</u>
<u>LIABILITIES</u>			
Accounts Payable	2,664,917	1,148,165	3,813,082
Accrued Wages	1,958,477	235,978	2,194,455
Accrued Interest Payable	270,261	398,873	669,134
Contracts and Retainers Payable	2,961,641	5,083,843	8,045,484
Due to Other Governments	140,448	299,204	439,652
Matured Bonds and Coupons Payable	1,740	13,718	15,458
Deferred Revenue	49,116,755	---	49,116,755
Unearned Revenue	---	560,000	560,000
Noncurrent Liabilities:			
Due within one year			
General Obligation Bonds Payable	18,000,307	1,355,654	19,355,961
Notes Payable	1,196	7,317,000	7,318,196
Compensated Absences	2,309,476	296,822	2,606,298
Estimated Liability for Damage Claims	1,576,354	---	1,576,354
Estimated Liability for Landfill Closure	---	59,715	59,715
Due in more than one year			
General Obligation Bonds Payable	83,938,576	6,797,888	90,736,464
Notes Payable	---	133,386,316	133,386,316
Estimated Post Retirement Benefit Obligation	15,355,850	---	15,355,850
Compensated Absences	1,065,331	79,774	1,145,105
Estimated Liability for Damage Claims	18,927,743	---	18,927,743
Estimated Liability for Landfill Closure	---	1,521,989	1,521,989
Total Liabilities	<u>198,289,072</u>	<u>158,554,939</u>	<u>356,844,011</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	259,727,010	106,357,863	366,084,873
Restricted for:			
Capital Improvements	39,237,581	---	39,237,581
Debt Service	10,954,271	---	10,954,271
Road Use	391,564	---	391,564
Other Employee Benefits	151,928	---	151,928
Community Programs & Services	10,180,086	---	10,180,086
Other Purposes	41,688	---	41,688
Endowment, non-expendable	1,058,731	---	1,058,731
Total Restricted	<u>62,015,849</u>	<u>---</u>	<u>62,015,849</u>
Unrestricted	(12,342,248)	29,267,015	16,924,767
Total Net Assets	<u>\$ 309,400,611</u>	<u>\$ 135,624,878</u>	<u>\$ 445,025,489</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF SIOUX CITY, IOWA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Governmental Activities:</u>				
Public Safety	\$ 35,153,307	\$ 1,080,541	\$ 2,698,428	\$ 195,419
Public Works	18,146,262	4,680,854	9,789,008	7,819,678
Culture and Recreation	19,105,473	6,042,193	233,251	278,639
Community and Economic Development	14,093,979	206,055	8,447,905	110,205
General Government	10,023,938	4,168,644	108,737	452,302
Investment in Joint Venture	297,372	---	---	---
Debt Service	5,784,156	---	500,000	---
Total Governmental Activities	102,604,487	16,178,287	21,777,329	8,856,243
<u>Business-Type Activities:</u>				
Airport	4,489,545	1,664,593	106,822	941,572
Water	11,690,391	14,029,681	212,083	---
Sewer	13,213,218	19,171,819	114,638	---
Solid Waste	4,758,852	4,584,655	1,936	---
Parking	1,570,589	1,423,385	---	---
Skyway System	382,081	449,611	---	---
Total Business-Type Activities	36,104,676	41,323,744	435,479	941,572
Total Functions/Programs	<u>\$ 138,709,163</u>	<u>\$ 57,502,031</u>	<u>\$ 22,212,808</u>	<u>\$ 9,797,815</u>

General Revenues:

Property Taxes
Franchise Taxes
Hotel-Motel Taxes
Local Option Sales Taxes
Interest
Revenue from Sale of Uncapitalized Property
Miscellaneous
Net Gain on Sale of Capital Assets

Transfers

Total General Revenues and Transfers
Changes in Net Assets

Net Assets - Beginning of Year

Net Assets - End of Year

The notes to the financial statements are an integral part of this statement.

**Net (Expenses) Revenues and Changes in Net
Assets**

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (31,178,919)	\$ ---	\$ (31,178,919)
4,143,278	---	4,143,278
(12,551,390)	---	(12,551,390)
(5,329,814)	---	(5,329,814)
(5,294,255)	---	(5,294,255)
(297,372)	---	(297,372)
(5,284,156)	---	(5,284,156)
(55,792,628)	---	(55,792,628)
---	(1,776,558)	(1,776,558)
---	2,551,373	2,551,373
---	6,073,239	6,073,239
---	(172,261)	(172,261)
---	(147,204)	(147,204)
---	67,530	67,530
---	6,596,119	6,596,119
\$ (55,792,628)	\$ 6,596,119	\$ (49,196,509)
47,856,978	---	47,856,978
2,174,884	---	2,174,884
1,263,522	---	1,263,522
11,147,414	---	11,147,414
588,020	387,506	975,526
376,449	---	376,449
1,467,847	150,356	1,618,203
90,008	---	90,008
(519,914)	519,914	---
64,445,208	1,057,776	65,502,984
8,652,580	7,653,895	16,306,475
300,748,031	127,970,983	428,719,014
\$ 309,400,611	\$ 135,624,878	\$ 445,025,489

**CITY OF SIOUX CITY, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	General	Other Employee Benefits	Local Option Sales Tax
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 5,128,259	\$ 33,148	\$ 555,388
Accounts Receivable	1,018,921	---	10,496
Accrued Interest Receivable	85,403	---	6,771
Notes Receivable	13,200	---	189,510
Special Assessments	1,895,742	---	---
Due from Other Governments	23,732,639	7,413,560	1,842,959
Due from Other Funds	1,863,238	---	---
Inventories	---	---	---
Prepaid Items	378	---	---
Total Assets	<u>33,737,780</u>	<u>7,446,708</u>	<u>2,605,124</u>
<u>LIABILITIES</u>			
Accounts Payable	380,933	2,512	---
Accrued Wages	1,510,066	---	---
Contracts and Retainers Payable	2,332	---	36,000
Due to Other Governments	119,768	---	---
Due to Other Funds	4,417	---	---
Matured Bonds and Coupons Payable	---	---	---
Deferred Revenue	23,358,461	7,292,268	---
Total Liabilities	<u>25,375,977</u>	<u>7,294,780</u>	<u>36,000</u>
<u>FUND BALANCES</u>			
Non-Spendable:			
Inventory	---	---	---
Prepaid Items	378	---	---
Long-Term Notes Receivable	13,200	---	189,510
Endowment, non-expendable	---	---	---
Restricted	---	151,928	---
Committed	479,418	---	---
Assigned	---	---	2,379,614
Unassigned	<u>7,868,807</u>	<u>---</u>	<u>---</u>
Total Fund Balances	<u>8,361,803</u>	<u>151,928</u>	<u>2,569,124</u>
Total Liabilities and Fund Balances	<u>\$ 33,737,780</u>	<u>\$ 7,446,708</u>	<u>\$ 2,605,124</u>

The notes to the financial statements are an integral part of this statement.

Debt Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 8,505,090	\$ 38,014,321	\$ 3,151,173	\$ 55,387,379
25,000	324,068	227,802	1,606,287
447	2,871	815,332	910,824
409,352	242,306	7,528,170	8,382,538
11,522	---	16,113	1,923,377
20,552,325	4,025,201	2,830,034	60,396,718
---	---	4,270	1,867,508
---	---	136,503	136,503
---	394	31,514	32,286
29,503,736	42,609,161	14,740,911	130,643,420
61,686	750,165	1,016,289	2,211,585
---	17,054	346,421	1,873,541
---	2,604,361	312,062	2,954,755
---	---	20,680	140,448
---	---	1,677,433	1,681,850
1,740	---	---	1,740
20,524,716	---	151,260	51,326,705
20,588,142	3,371,580	3,524,145	60,190,624
---	---	136,503	136,503
---	394	26,231	27,003
---	242,306	---	445,016
---	---	1,058,731	1,058,731
8,914,435	38,994,881	10,613,338	58,674,582
1,159	---	592,978	1,073,555
---	---	---	2,379,614
---	---	(1,211,015)	6,657,792
8,915,594	39,237,581	11,216,766	70,452,796
\$ 29,503,736	\$ 42,609,161	\$ 14,740,911	\$ 130,643,420

CITY OF SIOUX CITY, IOWA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
JUNE 30, 2012

EXHIBIT 3A

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total Fund Balances - Governmental Funds (Exhibit 3) \$ 70,452,796

Infrastructure, property and equipment used in governmental activities are not financial resources and therefore, are not reported in the funds. Those assets consist of:

Land	45,427,544	
Construction in Progress	79,648,412	
Infrastructure, net of \$51,509,147 accumulated depreciation	109,876,562	
Buildings, net of \$26,157,115 accumulated depreciation	80,134,101	
Buildings under Capital Lease, net of \$4,797,000 accumulated depreciation	2,878,000	
Improvements other than Buildings, net of \$21,343,527 accumulated depreciation	34,523,655	
Equipment, net of \$14,364,171 accumulated depreciation	<u>2,155,277</u>	
Total Capital Assets		354,643,551

Internal Service funds (See Exhibit 5) are used by management to fund and maintain the City's insurance policies provided to user departments and for the maintenance, repair and replacement of the City's fleet and are included in the Statement of Net Assets. (12,944,316)

Deferred Revenues that provide current financial resources for governmental activities. 2,209,950

Accrued interest expense from the balance sheet that requires current financial resources for governmental activities. (270,261)

Bond issue costs are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources.

Bond Issue Costs	416,679	
Bond Discount	86,462	
Bond Premium	<u>(1,688,887)</u>	
Total Bond Issue Costs (See Note 6)		(1,185,746)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

General Obligation Bonds	(100,336,458)	
Notes Payable	(1,196)	
Compensated Absences	<u>(3,167,709)</u>	
Total Long-term Liabilities (See Note 6)		<u>(103,505,363)</u>

Total Net Assets - Governmental Activities (Exhibit 1) \$ 309,400,611

The notes to the financial statements are an integral part of this statement.

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CITY OF SIOUX CITY, IOWA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

<u>REVENUES</u>	General	Other Employee Benefits	Local Option Sales Tax
Taxes	\$ 23,866,220	\$ 7,870,038	\$ 11,147,414
Special Assessments	177,351	---	---
Regulatory Fees	3,933,570	---	---
Intergovernmental Revenue	2,847,319	---	---
Revenue from Use of Property	340,812	---	---
Charges for Services	5,338,931	---	---
Interest	159,424	---	1,350
Contributions	213,604	---	---
Miscellaneous	317,454	668	2,355
Total Revenue	37,194,685	7,870,706	11,151,119
<u>EXPENDITURES</u>			
Current:			
Public Safety	32,366,441	1,113,600	---
Public Works	1,690,865	---	---
Culture and Recreation	8,554,008	283,642	---
Community and Economic Development	827,749	11,017	47,887
General Government	3,422,458	55,072	---
Debt Service	---	---	---
Capital Projects	---	---	---
Total Expenditures	46,861,521	1,463,331	47,887
Excess (Deficiency) of Revenues Over Expenditures	(9,666,836)	6,407,375	11,103,232
<u>OTHER FINANCING SOURCES (USES)</u>			
Issuance of Debt	---	---	---
Premiums on Bonds Issued	---	---	---
Discounts on Bonds Issued	---	---	---
Proceeds on Sale of Capitalized Assets	---	---	---
Transfers In	15,456,967	---	---
Transfers Out	(5,720,739)	(6,490,399)	(10,931,225)
Total Other Financing Sources (Uses)	9,736,228	(6,490,399)	(10,931,225)
Net Change in Fund Balance	69,392	(83,024)	172,007
Fund Balance - Beginning of Year	8,292,411	234,952	2,397,117
Fund Balance - End of Year	\$ 8,361,803	\$ 151,928	\$ 2,569,124

The notes to the financial statements are an integral part of this statement.

Debt Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 19,433,293	\$ ---	\$ 119,284	\$ 62,436,249
---	---	29,011	206,362
---	---	---	3,933,570
500,000	8,060,897	18,215,928	29,624,144
---	178,324	4,365,381	4,884,517
---	---	3,687,675	9,026,606
8,529	82,021	310,271	561,595
---	467,628	---	681,232
25,447	6,233	605,748	957,905
19,967,269	8,795,103	27,333,298	112,312,180
---	---	---	33,480,041
---	---	12,858,976	14,549,841
---	---	7,220,081	16,057,731
---	---	8,755,038	9,641,691
---	---	---	3,477,530
22,448,360	---	---	22,448,360
---	31,476,980	358,813	31,835,793
22,448,360	31,476,980	29,192,908	131,490,987
(2,481,091)	(22,681,877)	(1,859,610)	(19,178,807)
---	13,050,826	---	13,050,826
173,017	---	---	173,017
(27,517)	---	---	(27,517)
---	12,401	---	12,401
5,891,594	7,066,704	3,664,395	32,079,660
(3,036,175)	(3,639,956)	(2,946,662)	(32,765,156)
3,000,919	16,489,975	717,733	12,523,231
519,828	(6,191,902)	(1,141,877)	(6,655,576)
8,395,766	45,429,483	12,358,643	77,108,372
\$ 8,915,594	\$ 39,237,581	\$ 11,216,766	\$ 70,452,796

CITY OF SIOUX CITY, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

EXHIBIT 4A

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Governmental Funds (Exhibit 4)	\$ (6,655,576)
--	----------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$26,230,789) exceeded depreciation (\$10,405,028) in the current period.	15,825,761
---	------------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	323,011
--	---------

Accrued interest expense that does not require current financial resources.	28,088
---	--------

Long-term accrual of compensated absences is not reported in the governmental funds as it does not consume current financial resources. The net change in the long-term compensated absences for the year was:	(157,876)
--	-----------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Additionally, governmental funds report the effect of issuance costs, premiums, discounts and similar items when new debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Debt Issued:		
General Obligation Bonds	(13,050,826)	
Bond Costs	74,686	
Bond Discounts	27,517	
Bond Premium	(173,017)	
Repayments:		
General Obligation Bonds	16,420,473	
Bond Charges	133,800	
Notes Payable	7,157	
Net Adjustment (See Note 6)		3,439,790

Internal Service funds (See Exhibit 6) are used by the City to fund and maintain the City's insurance policies provided to user departments and for the maintenance, repair and replacement of the City's equipment and are included in the Statement of Net Assets. The net expense of the Internal Service funds is reported with governmental activities.	(4,150,618)
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Changes in Net Assets - Governmental Activities (Exhibit 2)	\$ 8,652,580
---	--------------

The notes to the financial statements are an integral part of this statement.

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**CITY OF SIOUX CITY, IOWA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012**

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 786,686	\$ 8,176,775
Accounts Receivable	65,143	2,640,799
Accrued Interest Receivable	1,042	10,619
Notes Receivable - Current	---	---
Special Assessments	---	16,673
Due from Other Governments	255,512	1,499,988
Due from Other Funds	---	---
Inventories, at Cost	7,631	---
Prepaid Items	593	---
Bond Issue Costs	---	673,149
Total Current Assets	<u>1,116,607</u>	<u>13,018,003</u>
<u>Non-Current Assets</u>		
Advances to Other Funds	---	---
Notes Receivable - Long-term	1,000	---
Capital Assets, Net of Accumulated Depreciation	<u>29,033,274</u>	<u>100,384,061</u>
Total Non-Current Assets	<u>29,034,274</u>	<u>100,384,061</u>
Total Assets	<u>30,150,881</u>	<u>113,402,064</u>
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	128,432	766,358
Accrued Wages and Compensated Absences	72,567	272,714
Accrued Interest Payable	4,551	184,082
Contracts and Retainers Payable	123,599	2,967,558
Due to Other Governments	---	142,950
Due to Other Funds	14,153	---
Estimated Liability for Damage Claims	---	---
Current Portion of G.O. Bonds	280,619	395,344
Current Portion of Notes Payable	---	3,355,000
Matured Bonds and Coupons Payable	---	6,050
Deferred Revenues	---	---
Total Current Liabilities	<u>623,921</u>	<u>8,090,056</u>
<u>Non-Current Liabilities</u>		
Post Employment Benefit Obligation	---	---
Estimated Liability for Damage Claims	---	---
Estimated Liability for Landfill Closure	---	---
Advances from Other Funds	59,278	---
General Obligation Bonds, Net of Current Portion	1,495,694	3,051,112
Notes Payable, Net of Current Portion	---	59,828,761
Total Non-Current Liabilities	<u>1,554,972</u>	<u>62,879,873</u>
Total Liabilities	<u>2,178,893</u>	<u>70,969,929</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	27,256,961	33,753,844
Unrestricted	715,027	8,678,291
Total Net Assets	<u>\$ 27,971,988</u>	<u>\$ 42,432,135</u>

The notes to the financial statement are an integral part of this statement.

Business-Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 15,152,587	\$ 2,820,793	\$ 1,269,770	\$ 28,206,611	\$ 15,872,500
3,772,135	739,347	379,819	7,597,243	172,526
19,788	3,720	1,675	36,844	9,744
---	---	---	---	56,227
8,721	4,907	---	30,301	---
171,012	1,936	1,208	1,929,656	187
---	---	6,339	6,339	14,153
---	---	---	7,631	287,501
45,247	---	---	45,840	172,229
695,910	---	---	1,369,059	---
19,865,400	3,570,703	1,658,811	39,229,524	16,585,067
---	---	---	---	59,278
---	---	---	1,000	---
116,356,180	1,209,356	8,231,850	255,214,721	7,023,538
116,356,180	1,209,356	8,231,850	255,215,721	7,082,816
136,221,580	4,780,059	9,890,661	294,445,245	23,667,883
198,409	17,512	37,454	1,148,165	453,332
200,848	3,407	63,038	612,574	292,034
204,236	47	5,957	398,873	---
1,617,459	371,670	3,557	5,083,843	6,886
127,245	29,009	---	299,204	---
---	---	191,997	206,150	---
---	---	---	---	1,265,000
244,147	12,298	423,246	1,355,654	---
3,962,000	---	---	7,317,000	---
56	---	7,612	13,718	---
---	---	560,000	560,000	---
6,554,400	433,943	1,292,861	16,995,181	2,017,252
---	---	---	---	15,355,850
---	---	---	---	19,239,097
---	1,581,704	---	1,581,704	---
---	---	---	59,278	---
411,081	12,165	1,827,836	6,797,888	---
73,557,555	---	---	133,386,316	---
73,968,636	1,593,869	1,827,836	141,825,186	34,594,947
80,523,036	2,027,812	3,120,697	158,820,367	36,612,199
38,181,397	1,184,893	5,980,768	106,357,863	7,023,538
17,517,147	1,567,354	789,196	29,267,015	(19,967,854)
\$ 55,698,544	\$ 2,752,247	\$ 6,769,964	\$ 135,624,878	\$ (12,944,316)

**CITY OF SIOUX CITY, IOWA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<u>OPERATING REVENUES</u>		
Revenue from Use of Property	\$ 1,328,697	\$ 131,619
Charges for Service	335,896	13,898,062
Total Operating Revenues	<u>1,664,593</u>	<u>14,029,681</u>
<u>OPERATING EXPENSES</u>		
Employee Services	1,012,387	4,154,532
Supplies and Services	496,119	1,140,180
Repairs and Improvements	790,241	1,099,509
Utilities	154,193	542,544
Depreciation	1,979,693	2,933,395
Damage Settlement	---	---
Total Operating Expenses	<u>4,432,633</u>	<u>9,870,160</u>
Operating Income (Loss)	(2,768,040)	4,159,521
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Intergovernmental Revenue	1,048,394	212,083
Interest Income	4,827	150,392
Gain (Loss) on Sale of Capital Assets	---	---
Other Non-Operating Revenues	114,642	32,407
Interest Expense	(56,912)	(1,599,506)
Other Non-Operating Expenses	---	(220,725)
Total Non-Operating Revenues (Expenses)	<u>1,110,951</u>	<u>(1,425,349)</u>
Income (Loss) before Transfers	(1,657,089)	2,734,172
Transfers In	535,375	904,713
Transfers Out	---	---
Changes in Net Assets	(1,121,714)	3,638,885
Net Assets - Beginning of the Year	<u>29,093,702</u>	<u>38,793,250</u>
Net Assets - End of Year	<u>\$ 27,971,988</u>	<u>\$ 42,432,135</u>

The notes to the financial statements are an integral part of this statement.

Business-Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 10,301	\$ 531,749	\$ ---	\$ 2,002,366	\$ 91,800
19,161,518	4,052,906	1,872,996	39,321,378	24,537,284
19,171,819	4,584,655	1,872,996	41,323,744	24,629,084
4,511,767	138,531	463,745	10,280,962	15,831,073
1,616,524	4,440,382	562,173	8,255,378	2,102,497
1,180,597	9,897	321,900	3,402,144	5,851,888
1,026,418	3,073	48,024	1,774,252	24,857
2,233,364	166,213	479,604	7,792,269	2,219,738
---	---	---	---	3,553,045
10,568,670	4,758,096	1,875,446	31,505,005	29,583,098
8,603,149	(173,441)	(2,450)	9,818,739	(4,954,014)
114,638	1,936	---	1,377,051	187
163,137	64,400	4,750	387,506	26,425
---	---	---	---	90,008
---	3,307	---	150,356	521,194
(2,375,973)	(756)	(77,224)	(4,110,371)	---
(268,575)	---	---	(489,300)	---
(2,366,773)	68,887	(72,474)	(2,684,758)	637,814
6,236,376	(104,554)	(74,924)	7,133,981	(4,316,200)
---	---	62,000	1,502,088	300,069
(70,000)	(844,644)	(67,530)	(982,174)	(134,487)
6,166,376	(949,198)	(80,454)	7,653,895	(4,150,618)
49,532,168	3,701,445	6,850,418	127,970,983	(8,793,698)
\$ 55,698,544	\$ 2,752,247	\$ 6,769,964	\$ 135,624,878	\$ (12,944,316)

**CITY OF SIOUX CITY, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	Business-Type Activities	
	Airport	Water System
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Received from Customers	\$ 1,503,218	\$ 13,486,991
Cash Paid for Personal Services	(1,049,466)	(4,180,438)
Cash Paid to Suppliers	(1,617,280)	(3,915,402)
Other Non-Operating Revenues	114,642	32,407
Net Cash Provided (Used) by Operating Activities	(1,048,886)	5,423,558
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition and Construction of Capital Assets	(1,009,913)	(14,599,221)
Proceeds from Sale of Assets	---	---
Proceeds from Bond Sales	305,000	435,000
Bond Issuance Costs	---	(181,973)
Proceeds from Notes Payable	---	21,542,461
Principal Paid on Notes and Bonds	(273,769)	(6,488,293)
Interest Paid on Notes and Bonds	(57,120)	(1,528,994)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,035,802)	(821,020)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Intergovernmental Revenue	1,048,394	668,681
Transfers In	535,375	904,713
Transfers Out	---	---
Net Cash Provided (Used) by Non-Capital Financing Activities	1,583,769	1,573,394
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest and Dividends on Investments	3,785	144,103
Payments Received on Notes Receivable	---	---
Net Cash Provided By Investing Activities	3,785	144,103
Net Increase (Decrease) in Cash and Cash Equivalents	(497,134)	6,320,035
Cash and Cash Equivalents at Beginning of Year	1,283,820	1,856,740
Cash and Cash Equivalents at End of Year	\$ 786,686	\$ 8,176,775
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$ (2,768,040)	\$ 4,159,521
<i>Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</i>		
Depreciation	1,979,693	2,933,395
Other Non-Operating Revenues	114,642	32,407
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>		
Accounts Receivable	(6,815)	(526,017)
Special Assessments	---	(16,673)
Due from Other Governments	(154,560)	---
Due from Other Funds	---	---
Inventories	(676)	---
Advances to Other Funds	---	---
Prepaid Items	(3)	3,538
Accounts Payable	35,343	(239,060)
Accrued Wages and Compensated Absences	(37,079)	(25,906)
Contracts and Retainers Payable	(196,888)	(933,197)
Due to Other Governments	---	35,550
Due to Other Funds	(14,503)	---
Deferred Revenue	---	---
Post Retirement Benefit Obligation	---	---
Estimated Liability for Landfill Closure	---	---
Estimated Liability for Damage Claims	---	---
Total Adjustments	1,719,154	1,264,037
Net Cash Provided (Used) by Operating Activities	\$ (1,048,886)	\$ 5,423,558

The notes to the financial statements are an integral part of this statement.

Business-Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 18,708,485	\$ 4,631,093	\$ 1,765,022	\$ 40,094,809	\$ 24,978,913
(4,484,070)	(138,034)	(454,069)	(10,306,077)	(14,588,670)
(5,541,654)	(4,902,366)	(1,065,632)	(17,042,334)	(8,922,495)
---	3,307	---	150,356	521,194
8,682,761	(406,000)	245,321	12,896,754	1,988,942
(5,234,613)	---	---	(20,843,747)	(1,826,590)
---	---	---	---	162,187
200,000	---	484,174	1,424,174	---
(222,465)	---	---	(404,438)	---
4,841,224	---	---	26,383,685	---
(4,105,369)	(12,642)	(376,311)	(11,256,384)	---
(2,385,889)	(773)	(77,746)	(4,050,522)	---
(6,907,112)	(13,415)	30,117	(8,747,232)	(1,664,403)
129,194	1,936	---	1,848,205	187
---	---	62,000	1,502,088	300,069
(70,000)	(844,644)	---	(914,644)	(134,487)
59,194	(842,708)	62,000	2,435,649	165,769
158,813	64,503	3,340	374,544	23,444
---	---	---	---	24,448
158,813	64,503	3,340	374,544	47,892
1,993,656	(1,197,620)	340,778	6,959,715	538,200
13,158,931	4,018,413	928,992	21,246,896	15,334,300
\$ 15,152,587	\$ 2,820,793	\$ 1,269,770	\$ 28,206,611	\$ 15,872,500
\$ 8,603,149	\$ (173,441)	\$ (2,450)	\$ 9,818,739	\$ (4,954,014)
2,233,364	166,213	479,604	7,792,269	2,219,738
---	3,307	---	150,356	521,194
(454,613)	53,281	(107,019)	(1,041,183)	348,622
(8,721)	(4,907)	---	(30,301)	---
---	(1,936)	---	(156,496)	(187)
---	---	(955)	(955)	1,398
---	---	---	(676)	(70,497)
---	---	---	---	13,105
(28,297)	---	---	(24,762)	1,723
1,517,981	6,010	(11,570)	1,308,704	43,041
27,697	497	9,676	(25,115)	16,553
(3,233,182)	(378,635)	(49,903)	(4,791,805)	4,582
25,383	2,570	---	63,503	---
---	---	32,938	18,435	---
---	---	(105,000)	(105,000)	---
---	---	---	---	1,225,850
---	(78,959)	---	(78,959)	---
---	---	---	---	2,617,834
79,612	(232,559)	247,771	3,078,015	6,942,956
\$ 8,682,761	\$ (406,000)	\$ 245,321	\$ 12,896,754	\$ 1,988,942

CITY OF SIOUX CITY, IOWA
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

EXHIBIT 8

ASSETS

Cash and Cash Equivalents	\$ 352,558
Accounts Receivable	38,616
Due from Other Governments	<u>114,184</u>
Total Assets	<u>505,358</u>

LIABILITIES

Accounts Payable	108,800
Due to Other Governments	<u>396,558</u>
Total Liabilities	<u>505,358</u>
Total Net Assets	<u>\$ ---</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The City of Sioux City, Iowa, was incorporated May 5, 1855, under the laws of the State of Iowa, later amended by the Home Rule City Act. The City operates under the Council-Manager form of government and provides the following program services as authorized by its charter: Public Safety, Public Works, Culture and Recreation, Community and Economic Development, and General Government. These program services are administered by departments, agencies and various boards.

These financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) that apply to governmental units. All funds created under the authority of the State Code of Iowa, the operations of which are under the control of the City's governing body, and by financial reporting standards for governmental units are included herewith.

The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for state and local government through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements. The City applies only the applicable FASB pronouncements issued prior to November 30, 1989 in accounting and reporting its business-type activities. The more significant accounting policies established in U.S. GAAP and used by the City are discussed below.

The City of Sioux City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization, or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the City.

The City of Sioux City does not include any component units within its reporting entity.

The City participates in jointly governed organizations for which the City is not financially accountable or that the nature and significance of the relationship with the City are such that exclusion does not cause the City's financial statements to be misleading or incomplete. The City is a member of the County Assessor's Conference Board and the City Assessor's Conference Board.

B. Basic Financial Statements – Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general, special revenue, debt service, capital projects, and permanent funds are classified as governmental activities. The City's internal service fund is classified as a governmental-type activity. The government-wide financial statements do not include fiduciary funds.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1 - (Continued)

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first uses restricted resources to finance qualifying activities.

The Government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (Public Safety, Public Works, Culture and Recreation, Community and Economic Development, General Government, and Debt Service), and business-type activities. These expenses are supported by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The City does not allocate indirect costs. Certain expenses of the City are accounted for through the internal service fund on a cost-reimbursement basis.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

C. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues or receipts, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria for the determination of major funds, which should have a specific community focus. The nonmajor funds are combined into a single column in the fund financial statements. The various funds reported in the financial statements are grouped into fund types as follows:

Governmental Fund Types –The governmental fund financial statements are reported using the current financial resources measurement focus. This means that the focus of the governmental funds' measurement is upon the determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund - The General Fund is the general operating fund of the City. It is used to account for and report all financial resources, except those required to be accounted for and reported in another fund. The sources of revenue include property taxes, charges for services, fines and fees, licenses and permits, as well as state and federal grants. The expenditures of the General Fund relate to general administration, police and fire protection, maintenance of public streets, economic development, and culture and recreation. The General Fund is a major fund.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1 - (Continued)

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Special Revenue Funds for Sioux City include: Other Employee Benefits, Storm Water Drainage, Road Use, Community Development, Housing, Main Street, Local Option Sales Tax, Events Facilities, and Transit Operations. Two of the Special Revenue Funds are considered major funds: the Other Employee Benefits Fund is used to account for the City's employee benefits tax levy and the Local Option Sales Tax Fund is used to account for the City's 1% local option sales tax. Both are funded by the tax revenues of the same name.

Debt Service Fund - The Debt Service Fund is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for, and the payment of, general long-term debt principal, interest, and related costs. The Debt Service Fund is a major fund.

Capital Projects Fund - Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets (other than those financed by Proprietary Funds and Fiduciary Funds). The Capital Projects Fund is a major fund.

Permanent Fund - The Permanent Fund is used to account for and report resources that are restricted to the extent that only earnings, and not principal may be used for the care and maintenance of assets held by the City, pursuant to the cemetery trust agreement in which the City cares for its cemeteries.

Proprietary Fund Types - The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. Operating revenues and expenses are distinguished from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations, whereas non-operating revenue and expenses result from activities outside the normal business operations. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The U.S. generally accepted accounting principles used are those applicable to similar businesses in the private sector.

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City maintains several business-type activities. The funds reported as enterprise funds are listed below.

Airport Fund - The Airport Fund accounts for the operation and maintenance of the City's airport facility. The Airport Fund is a major fund.

Water Fund - The Water Utility Fund accounts for the operation and maintenance of the City's water system. The Water Fund is a major fund.

Sewer Fund - The Sewer Utility Fund accounts for the operation and maintenance of the City's sewer system. The Sewer Fund is a major fund.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 1 - (Continued)

Enterprise Funds – (Continued)

Solid Waste Fund -The Solid Waste Fund accounts for the operation and maintenance of the City's solid waste facilities. The Solid Waste Fund is a major fund.

Parking Fund - The Parking Fund accounts for the operations of the City-owned parking ramps and other parking facilities.

Skyway System - The Skyway System accounts for the maintenance and security of the skyway system.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-recovery basis.

The City's internal service funds are presented in the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service fund are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

Central Maintenance Garage - The Central Maintenance Garage Fund accounts for maintenance and repair services for the City's automotive equipment and acquisition of replacement vehicles.

Comprehensive Insurance - The Comprehensive Insurance Fund accounts for the funding and maintenance of the City's insurance policies provided to user departments.

Fiduciary Fund Types – Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore, are not available to support City programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide financial statements.

Sioux City Housing Trust Fund – This fund accounts for the activity of the Sioux City Housing Trust Fund.

Revolving Fund – This fund accounts for refunds to City customers.

WCICC Fund – This fund accounts for the activity of the Woodbury County Information Communication Center (WCICC).

Museum Building Property, Inc. Fund – This fund accounts for the activity of Museum Building Property, Inc.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 1 - (Continued)

D. Basis of Accounting

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual basis of accounting is used for all activities in the government-wide financial statements and for the proprietary and fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual basis of accounting is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues.

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due.

Those revenues susceptible to accrual are property taxes, assessments, and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

E. Budgets

Chapter 384, Section 16, of the State Code of Iowa, requires the adoption of an annual budget on or before March 15 of each year, which becomes effective July 1 and constitutes the appropriation for each program specified therein until amended. The City budget may be amended for specified level purposes and budget amendments must be prepared and adopted in the same manner as the original budget. Appropriations, as adopted and amended, lapse at the end of the fiscal year, with the exception of Capital Improvement Projects and encumbrances. Encumbrances outstanding at year-end are reported as commitments of fund balances since they do not constitute expenditures or liabilities.

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds. The City's budget is prepared on the modified accrual basis of accounting. The legal level of control (the level on which expenditures may not legally exceed appropriations) is the program level for all funds combined rather than at the individual fund level. This level of control is at a level higher than the individual fund. It is necessary, therefore, to aggregate the expenditures of governmental fund types with expenses of proprietary fund types on a program level basis and to compare such program totals to program budgeted totals in order to demonstrate legal compliance with budget. Legal budget compliance for cities in the State of Iowa is applied only to expenditures.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 1 - (Continued)

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in the cash management pool, which has the general characteristics of a demand deposit account.

Iowa Code, Chapter 452.10, Custody of Public Funds, allows the City Treasurer to invest public funds not needed for operations. Chapter 97B.7, Trustees duties, indicates that the City Treasurer shall exercise the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. Common, preferred, and guaranteed stock is an exception for the investment of public funds.

The City follows the provisions of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments for External Investment Pools". The City used the following methods in determining the reported amounts: Commercial paper – quoted fair value, U.S. Treasuries – quoted fair value, U.S. Agencies – quoted fair value.

G. Accounts Receivable

Accounts receivable result primarily from miscellaneous services provided to citizens in the General Fund, Capital Projects Fund, and other non-major governmental funds. Accounts receivable in the proprietary funds result from providing services specific to the operations of the fund.

H. Short-Term Interfund Receivables/Payables

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received as of June 30, 2012, balances of interfund amounts payable or receivable have been recorded as "due to other funds" and "due from other funds", respectively. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as interfund balances.

I. Notes Receivable From Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as notes receivable.

J. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental and proprietary fund type inventories are recorded as expenditures when consumed rather than when purchased.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 1 - (Continued)

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items.

L. Restricted Assets

Revenue bond ordinances require the City to reserve certain cash and investments to provide for payment of bonds and interest, for protection of bondholders, and for extension and improvement of facilities.

M. Capital Assets

Assets with an initial individual cost of \$10,000 or more are considered capital assets. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available.

Contributed assets are reported at their fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure has been capitalized using historical or estimated historical cost beginning in 1980, as required by GASB 34. Depreciation on all assets is provided on the straight-line basis over the following estimated lives:

Buildings & Structures	39 - 50 Years
Machinery & Equipment	3 - 10 Years
Infrastructure	15 - 70 Years

N. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when the employees separate from service with the exception of employees of the Transit System. All Transit System employees who are covered by the Amalgamated Transit Union receive, upon retirement or death, a sick leave benefit of up to 120 days of paid sick leave.

O. Long-Term Obligations

In the government-wide financial statements and proprietary fund types, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1 - (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as issuance costs during the current period. The face amount of the debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds are reported as debt service expenditures.

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt excludes unspent debt proceeds. The portion of the debt related to unspent proceeds is included in the same net asset component as the unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Q. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services provided and used transactions and reimbursements, are reported as transfers.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

R. Fund Balance

Nonspendable Fund Balance – Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through legislation, resolution or ordinance, unless the City Council removes or changes the specified use by taking the same type of action used to commit the amounts.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 1 - (Continued)

Assigned Fund Balance – Amounts that are constrained by legal action taken by the City Council that are to be used for specific purposes, but are neither restricted nor committed.

Unassigned Fund Balance – Amounts that are available for any purpose; these amounts can be reported only in the City's General Fund.

S. Classifying Fund Balance Amounts

Fund balance amounts represent the nature of the net resources that are reported in a governmental fund. The City fund balance classifications include non-spendable resources, restricted, and non-restricted (committed, assigned and unassigned) amounts. When the City incurs an expenditure and both restricted and unrestricted amounts are available, the City considers restricted amounts to have been spent. When the City incurs an expenditure for an unrestricted amount, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts for purposes in which any of those unrestricted fund balance classifications could be used.

T. General Fund Balance Policy

The City budgets sufficient General Fund revenues to finance current year expenditures. Due to the volatility of some of the major revenue sources, the minimum unrestricted General Fund balance as a percentage of actual expenditures will be no less than 12%. To avoid a balance in excess of the level deemed sufficient for prudent fiscal management, a maximum unrestricted General Fund balance, as a percentage of actual expenditures will be no more than 20%. If the General Fund balance falls outside of the above parameters, budgeted revenues will be either greater or less than budgeted expenditures in subsequent years to bring the General Fund balance into compliance with this policy.

U. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 2 - Deposits and Investments

State statutes authorize the City to invest in "notes, certificates, bonds, prime eligible bankers acceptances, commercial paper rated within the two highest classifications of prime as established by at least one of the standard rating services approved by the Superintendent of Banking pursuant to Chapter 17A, perfected repurchase agreements, or other evidences of indebtedness which are obligations of or guaranteed by the United States of America or any of its agencies, or in time deposits in depositories as provided in Chapter 12B and receive the time certificates of deposit for the funds, certain registered open-end management investment companies, certain joint investment trusts or in savings accounts in depositories, or in warrants or improvement certificates of drainage districts." Additionally, as required by statute, the City Council has implemented an investment policy for the City. This policy does not specifically limit those authorized by statute, but does express the Council's preferences as to maturities, trading and location of financial institutions invested in. Investments during the year have not varied from these statutes and were consistent with those held by the City at year-end.

Deposits

The City's deposits at June 30, 2012, were entirely covered by Federal depository insurance, collateralized with securities or letters of credit held by the City or the City's agent in the City's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds. The City's bank deposits, per banks, at June 30, 2012, were \$89,277,303. These deposits have a book balance of \$87,523,282.

Investments

Investments are shown at fair value, except those that have a remaining maturity at the time of purchase of one year or less are shown at amortized costs. Presented below are the ratings, where applicable, by investment type as of June 30, 2012.

Investments	Carrying Amount	Moody's Rating 6/30/12
U.S. Treasury Strips	\$ 293,000	N/A
Commercial Paper	3,994,110	P-1
U.S. Agencies	7,996,188	N/A
	<u>\$12,283,298</u>	

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year.

Credit risk. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. It is the City's policy to comply with rating restrictions.

Concentration of credit risk. The City's investment policy does not allow for an investment in any one issuer that is in excess of 5% of the City's total investments.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 2 - (Continued)

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The 2005 Iowa Code Chapter 12C Deposit of Public Funds requires that any bank accepting deposits of public funds to fully collateralize those deposits with the State Treasurer.

Custodial risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the City's investments at June 30, 2012, the City has limited custodial credit risk exposure because all investments of the City must be held for the credit of the City in compliance with Iowa Code Chapter 12B. The counterparty must keep the securities in an account separate and apart from its own.

Cash and Cash Equivalents

The City pools the resources of each individual fund's available cash in order to obtain higher rates of return than could be if the funds were invested individually. The interest earned on the cash and cash equivalents is allocated to selected funds, as determined by the Director of Finance and the City Treasurer, in accordance with the City's investment policy, based on the ratio of each fund's participation in the pool. The cash and cash equivalents at June 30, 2012, consisted of the following:

Reconciliation to Exhibit 1:	Carrying Amount
Investments	\$ 12,283,298
Bank Deposits	87,523,282
Cash on hand, petty cash and other cash items	12,468
Total Cash and Cash Equivalents	<u>\$ 99,819,048</u>
Cash and Cash Equivalents – Exhibit 1	\$99,466,490
Cash and Cash Equivalents – Exhibit 8	352,558
Total Cash and Cash Equivalents	<u>\$ 99,819,048</u>

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 3 - Receivables

The following schedule details receivables:

<u>Fund Type</u>	<u>Property Taxes</u>	<u>Grants/ Revenue from Other Governments</u>	<u>Accounts Receivable</u>
GENERAL	\$ 21,966,921	\$ 1,765,718	\$ 1,018,921
Special Revenues			
Storm Water Drainage	---	---	68,653
Road Use	---	649,439	65
Community Development	---	595,408	63
Housing	---	---	5,689
Main Street	126,976	---	---
Local Option Sales Tax	---	1,842,959	10,496
Events Facilities	---	1,492	101,903
Transit System	---	1,456,719	44,040
Employee Benefits	7,413,560	---	---
TOTAL SPECIAL REVENUES	7,540,536	4,546,017	230,909
DEBT SERVICE	20,552,325	---	25,000
CAPITAL PROJECTS	---	4,025,201	324,068
Enterprises			
Airport System	---	255,512	65,143
Water System	---	1,499,988	2,640,799
Sewer System	---	171,012	3,772,135
Solid Waste System	---	1,936	739,347
Parking Facility	---	1,208	165,245
Skyway System	---	---	214,574
TOTAL ENTERPRISE	---	1,929,656	7,597,243
Internal Service Funds			
Central Maintenance Garage	---	187	90,253
Comprehensive Insurance	---	---	82,273
TOTAL INTERNAL SERVICE	---	187	172,526
Permanent Fund			
Cemetery Trust	---	---	7,389
TOTAL PERMANENT	---	---	7,389
TOTAL RECEIVABLES	\$ 50,059,782	\$ 12,266,779	\$ 9,376,056

<u>Notes Receivable</u>	<u>Special Assessments</u>	<u>Total</u>
\$ 13,200	\$ 1,895,742	\$ 26,660,502
---	16,113	84,766
---	---	649,504
7,498,218	---	8,093,689
29,952	---	35,641
---	---	126,976
189,510	---	2,042,965
---	---	103,395
---	---	1,500,759
---	---	7,413,560
<u>7,717,680</u>	<u>16,113</u>	<u>20,051,255</u>
409,352	11,522	20,998,199
242,306	---	4,591,575
1,000	---	321,655
---	16,673	4,157,460
---	8,721	3,951,868
---	4,907	746,190
---	---	166,453
---	---	214,574
<u>1,000</u>	<u>30,301</u>	<u>9,558,200</u>
56,227	---	146,667
---	---	82,273
<u>56,227</u>	<u>---</u>	<u>228,940</u>
---	---	7,389
---	---	7,389
<u>\$ 8,439,765</u>	<u>\$ 1,953,678</u>	<u>\$ 82,096,060</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 3 - (Continued)

All property subject to taxation is valued by the City Assessor, in compliance with State law, every two years subject to equalization action of the State Director of Revenue and further adjustment to restrict growth of taxable valuations to an annual limit of four percent statewide.

Taxes are billed and collected for the City of Sioux City by the Woodbury County Treasurer and are levied and due on July 1 of each year. Property taxes attach as an enforceable lien on March 15, also. The first installment becomes delinquent the following October 1, and the second installment becomes delinquent April 1 of the following calendar year. Property tax revenues are recognized when they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed sixty days. The maximum rate for the General Fund is \$8.10 per thousand dollars assessed valuation. General Obligation Bonds issued are payable from taxes levied in the Debt Service Fund without limitation as to rate or amount. The City has been at the \$8.10 General Fund limit for the past thirty-two years.

In fiscal 2006, the City made an agreement with the Sioux City Explorers Baseball Club to set up previous unpaid account balances as a note receivable to be repaid over 10 years. The original amount was \$44,000 with an outstanding balance of \$13,200 as of June 30, 2012.

In fiscal 1983, the City received an Urban Development Action Grant (UDAG) totaling almost \$2,000,000, which was loaned to area businesses for commercial and industrial developments. The City is entitled to all of the funds that are paid back on the loans. These funds can be loaned to other businesses for commercial or industrial development. All loans are secured by mortgages on the related real estate. Only one of the original projects is still outstanding. This loan is to the Call Terminal, L.P. and has an outstanding balance at June 30, 2012, of \$308,297. It carries an interest rate of 4% and calls for annual payments of \$21,975 until December 2031. During fiscal 2003, the City made a new loan under this program to the Civic Partners. Draws were made under this agreement totaling \$1,980,000 and the note was set up with monthly payments beginning in June 2005. Accrued interest on this note from inception until monthly payments began was capitalized into an additional note in June 2005 with an original balance of \$145,421. A third note was given during fiscal 2007 in the amount of \$25,000. These loans carry an interest rate of 6.33% with monthly payments of \$15,003 through February 2013 with balloon payments due at maturity. The combined outstanding balance of these notes at June 30, 2012, was \$2,173,930.

The City also has other notes receivable totaling \$359,051 at June 30, 2012, from rehabilitation loans made from Community Development funds. In connection with the Home Program funded by the U.S. Department of Housing and Urban Development, the Community Development Fund had notes receivable outstanding of \$4,656,940 from twenty-two local businesses.

The Debt Service Fund has a note receivable from the Sioux City Explorers Baseball Club with a balance of \$7,454 at June 30, 2012. The note has a 6% interest rate and calls for annual principal and interest payments of \$7,901 until 2012. Also, in the Debt Service Fund, there is a note receivable from the Green Valley Floyd Golf Corporation with an original amount of \$250,000 for the purchase and installation of a new sprinkler system at Floyd Golf Course. The balance outstanding at June 30, 2012, was \$106,952. The note carries an interest rate of 4.45% and calls for monthly payments of \$2,585 through April 2016. During fiscal 2007, the City also loaned \$25,000 to Staber Meats with money from the State of Iowa under the Community Economic Betterment Account (CEBA) loan program. This loan is at 0% and will be repaid over five years. The balance of this loan at June 30, 2012, was \$1,196. During fiscal 2011 the City executed an amendment to an agreement with Warfield Building, LLC in relation to a parking licensing agreement for property located at 3rd & Jones Street. The agreement calls for \$300,000 to be repaid with annual payments of \$25,000 beginning in January, 2012. The balance outstanding at June 30, 2012 was \$293,750.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 3 – (Continued)

The City has three loans in the Capital Projects Fund. The City loaned \$120,000 to the Castle on the Hill in December 2003. The purpose of the loan was for the development of affordable housing in the City. The loan carries an interest rate of 1% for a term of 30 years with payments beginning in December 2013. It has a balance that includes capitalized interest as of June 30, 2012, of \$131,898. The City extended two new notes in the Capital Projects fund in fiscal 2008. The first was a \$100,000 note to R&G LLC. The note accrues interest at 4% and calls for one payment of principal and interest on December 1, 2012. The balance, including capitalized interest, was \$110,408 at June 30, 2012. The second was a \$1,000,000 note to the Siouxland Center for Active Generations. The note calls for annual principal payments beginning on December 1, 2010, with interest accruing on unpaid annual payments and a final balloon payment on December 1, 2017. The Siouxland Center paid the City \$250,000 and was released from the remainder of the loan, \$750,000 as approved by Council December 19, 2011, Resolution 2011-0901.

The City has a number of notes receivable from economic development incentive packages with local businesses totaling \$189,510. These notes receivables are reported in the Local Option Sales Tax fund.

The Housing Fund has a note receivable of \$29,952 for housing loan repayments. \$9,860 of the balance is due after June 30, 2013.

The Airport Fund has a note receivable of \$1,000 in connection with Trans World Airlines, Inc. bankruptcy proceedings.

During fiscal 2007, the Central Maintenance Garage Fund loaned \$200,807 to Green Valley Floyd Golf Corporation for the purchase of new equipment. The note calls for interest at 5% and monthly payments of \$3,789 for 60 months. The loan was paid off in September 2011. During fiscal 2011, the Central Maintenance Garage Fund loaned an additional \$84,228 to Green Valley Floyd Golf Corporation for purchase of new grounds equipment. It is a 5 year note with 6% interest and will be repaid with 60 monthly payments of \$1,628.36. The outstanding balance at June 30, 2012 was \$56,227.

The Water, Sewer, and Solid Waste Funds accrue unbilled revenues rendered subsequent to the last billing date and prior to year-end based upon the number of days unbilled compared to the first billing subsequent to year-end. At June 30, 2012, unbilled utility revenues included in the accounts receivable of the Water, Sewer and Solid Waste System funds were \$1,506,492, \$1,681,590 and \$405,463, respectively.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 4 - Capital Assets

A summary of the changes in capital assets for the year ended June 30, 2012, is as follows:

Governmental Activities (including Internal Service Funds):

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
Capital assets, not being depreciated:				
Land	\$ 43,418,112	\$ 2,140,832	\$ (131,400)	\$ 45,427,544
Construction in Progress	72,229,825	19,902,006	(12,483,419)	79,648,412
Total capital assets, not being depreciated	<u>115,647,937</u>	<u>22,042,838</u>	<u>(12,614,819)</u>	<u>125,075,956</u>
Capital assets, being depreciated:				
Buildings	95,933,819	11,041,581	---	106,975,400
Buildings under capital lease	7,675,000	---	---	7,675,000
Improvements other than buildings	56,227,197	194,833	---	56,422,030
Equipment	45,948,085	2,426,557	(1,498,835)	46,875,807
Infrastructure	156,419,321	4,966,388	---	161,385,709
Total capital assets, being depreciated	<u>362,203,422</u>	<u>18,629,359</u>	<u>(1,498,835)</u>	<u>379,333,946</u>
Less accumulated depreciation for:				
Buildings	(24,222,668)	(2,618,631)	---	(26,841,299)
Buildings under capital lease	(4,605,125)	(191,875)	---	(4,797,000)
Improvements other than buildings	(19,008,332)	(2,694,622)	---	(21,702,954)
Equipment	(36,640,049)	(2,679,021)	1,426,657	(37,892,413)
Infrastructure	(47,068,530)	(4,440,617)	---	(51,509,147)
Total accumulated depreciation	<u>(131,544,704)</u>	<u>(12,624,766)</u>	<u>1,426,657</u>	<u>(142,742,813)</u>
Total capital assets, being depreciated, net	<u>230,658,718</u>	<u>6,004,593</u>	<u>(72,178)</u>	<u>236,591,133</u>
Governmental Activities capital assets, net	<u>\$346,306,655</u>	<u>\$28,047,431</u>	<u>\$(12,686,997)</u>	<u>\$361,667,089</u>

The Internal Service Funds and General Capital Assets are combined on the Governmental Activities Statement of Net Assets.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 4 - (Continued)

Business-Type Activities:

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
Capital assets, not being depreciated:				
Land	\$ 3,209,023	\$ 194,511	\$ ---	\$ 3,403,534
Construction in progress	143,943,928	20,081,652	(14,270,416)	149,755,164
Total capital assets, not being depreciated	<u>147,152,951</u>	<u>20,276,163</u>	<u>(14,270,416)</u>	<u>153,158,698</u>
Capital assets, being depreciated:				
Buildings	68,568,431	6,536,115	---	75,104,546
Improvements other than buildings	137,091,522	7,666,762	---	144,758,284
Equipment	6,590,909	567,591	---	7,158,500
Total capital assets, being depreciated	<u>212,250,862</u>	<u>14,770,468</u>	<u>---</u>	<u>227,021,330</u>
Less accumulated depreciation for:				
Buildings	(55,799,041)	(899,641)	---	(56,698,682)
Improvements other than buildings	(56,444,616)	(6,622,980)	---	(63,067,596)
Equipment	(4,929,381)	(269,648)	---	(5,199,029)
Total accumulated depreciation	<u>(117,173,038)</u>	<u>(7,792,269)</u>	<u>---</u>	<u>(124,965,307)</u>
Total capital assets, being depreciated, net	<u>95,077,824</u>	<u>6,978,199</u>	<u>---</u>	<u>102,056,023</u>
Business-Type Activities capital assets, net	<u><u>\$242,230,775</u></u>	<u><u>\$27,254,362</u></u>	<u><u>\$(14,270,416)</u></u>	<u><u>\$255,214,721</u></u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities

Public Safety	\$ 864,526
Public Works	4,110,428
Culture and Recreation	2,912,093
Community and Economic Development	252,852
General Government	2,265,129
Internal Service	2,219,738
Total	<u><u>\$ 12,624,766</u></u>

Business-Type Activities

Airport	\$ 1,979,693
Water	2,933,395
Sewer	2,233,364
Solid Waste	166,213
Parking	479,604
Total	<u><u>\$ 7,792,269</u></u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 4 – (Continued)

Reconciliation of Invested in Capital Assets, Net of Related Debt:

	Governmental Activities	Business- Type Activities
Capital Assets (net of accumulated depreciation)	\$ 361,667,089	\$ 255,214,721
Less: General Obligation Bonds Payable	101,938,883	8,153,542
Notes Payable	1,196	140,703,316
Invested in Capital Assets, Net of Related Debt	<u>\$ 259,727,010</u>	<u>\$ 106,357,863</u>

Note 5 – Capital Leases

In 1986, the City entered into an agreement with the Siouxland Chamber Foundation to construct the Sioux City Convention Center and lease it back to the City. This original lease expired June 1, 2007, and the title to the facility passed back to the City according to the terms of the lease. On June 1, 2007, another agreement was formed which sold the facility back to the Siouxland Chamber Foundation for \$1 and subsequently leased the facility back to the City again. The new lease terms call for a rental payment of \$1 per year for a term of 5 years. The lease also provides for two 5 year renewal options. Per the agreement, title to the facility will transfer back to the City for no consideration at the termination of the lease. Accordingly, the lease is treated as a capital lease and the leased assets are accounted for in the governmental activities on the statement of net assets. Buildings under capital lease have an original cost of \$7,675,000, accumulated depreciation of \$4,797,000 for a net book value at June 30, 2012, of \$2,878,000.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 6 – Long-Term Debt

NOTES PAYABLE

During fiscal 2007, the City borrowed \$25,000 under the Community Economic Betterment Account (CEBA) loan program from the Iowa Department of Economic Development to loan to Staber Meats. The interest rate is 0% and the loan is scheduled to be repaid over five years. The balance at June 30, 2012, was \$1,196.

During fiscal year 1997, the City borrowed funds from the State of Iowa through the Iowa Sewage Treatment Works Financing Program. The City received two low interest notes to help finance the construction of the Southeast Morningside Interceptor Sewer. Both notes are unsecured. The first loan with an original amount of \$1,422,000 has an interest rate of 3.0% and had a balance outstanding at June 30, 2012, of \$286,000 in the Sewer fund. The second loan with an original amount of \$1,363,000 has an interest rate of 3.0% and had a balance outstanding at June 30, 2012, of \$377,000 in the Sewer fund.

During fiscal years 2003 and 2004, the City borrowed funds from the State of Iowa Clean and Drinking Water State Revolving Fund. The City received four notes at 3% interest each to make certain improvements to the wastewater treatment and water systems. All four notes are unsecured. The notes were drawn upon as improvements were made. The final draws on the fourth note were made during fiscal 2007 bringing the total amount borrowed under these notes to \$25,000,000 in the Water fund and \$8,000,000 in the Sewer fund. The outstanding balances as of June 30, 2012, were \$16,080,000 in the Water fund and \$4,975,000 in the Sewer fund.

During fiscal 2006, the City obtained a \$31,000,000 note from the State of Iowa Clean and Drinking Water State Revolving Fund. The loan is at 3% and is unsecured. The loan was drawn upon as the funds were spent on the improvements. The loan was fully drawn as of June 30, 2009 and the outstanding balance on the note as of June 30, 2012, was \$24,873,000 in the Sewer fund.

During fiscal 2007, the City obtained a note with the State of Iowa Clean and Drinking Water State Revolving Fund in the amount of \$6,000,000 with a 3% interest rate. The loan was drawn upon as improvements were made. The loan was fully drawn as of June 30, 2009 and the outstanding balance of the note as of June 30, 2012, was \$4,639,000 in the Water fund.

During fiscal 2008, the City obtained a note with the State of Iowa Clean and Drinking Water State Revolving Fund in the amount of \$15,000,000 with a 3% interest rate. The loan was drawn upon as the funds were spent on improvements. The loan was fully drawn as of June 30, 2010, and the outstanding balance of the note as of June 30, 2012, was \$13,275,000 in the Sewer fund.

During fiscal 2009, the City obtained four notes with the State of Iowa Clean and Drinking Water State Revolving Fund. These loans included one loan in the amount of \$31,000,000 in the Sewer Fund and three Planning & Design Loans totaling \$4,450,000 in the Water Fund, all loans have a 3% interest rate. The loans are drawn upon as improvements are made. The amount of the sewer loan increased to \$38,600,000 in fiscal 2011. The loan had not been fully drawn as of June 30, 2012, and had a remaining balance to be drawn of \$3,466,445, with an outstanding balance in the Sewer Fund at June 30, 2012 of \$33,733,555. During fiscal 2012, \$4,023,859 that had been drawn under the Planning & Design Loans in the Water Fund was rolled into a new construction loan totaling \$30,618,000. The loan had not been fully drawn as of June 30, 2012, and had a remaining balance to be drawn of \$7,427,239. The balance outstanding in the Water Fund at June 30, 2012 was \$23,190,761.

During fiscal 2010, the City obtained a note with the State of Iowa Clean Drinking Water State Revolving Fund in the amount of \$10,807,000 with an interest rate of 3%. The loan was drawn upon as funds were spent on improvements. The loan was fully drawn as of June 30, 2011. The outstanding balance of the note as of June 30, 2012, was \$10,415,000 in the Water fund.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 6 – (Continued)

During fiscal 2011, the City obtained a note with the State of Iowa Clean Drinking Water State Revolving Fund in the amount of \$9,193,000 with an interest rate of 3%. The loan was drawn upon as improvements were made. The loan was fully drawn as of June 30, 2011, with an outstanding balance as of June 30, 2012, of \$8,859,000 in the Water fund.

Annual debt service requirements to maturity for the above notes payable are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 1,196	\$ ---	\$ 7,317,000	\$ 4,548,060
2014	---	---	7,547,000	4,328,550
2015	---	---	7,783,000	4,102,140
2016	---	---	7,929,000	3,868,650
2017	---	---	8,068,000	3,630,780
2018-2022	---	---	44,276,000	14,368,680
2023-2027	---	---	42,282,000	7,649,970
2028-2031	---	---	15,501,316	1,665,420
Total	<u>\$ 1,196</u>	<u>\$ ---</u>	<u>\$ 140,703,316</u>	<u>\$ 44,162,250</u>

GENERAL OBLIGATION BONDS

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and projects. General obligation bonds have been issued for both governmental and business-type activities. These bonds are direct obligations and pledge the full faith and credit of the City.

The City issued new bonds during fiscal 2012 as follows:

On June 20, 2012, the City sold general obligation bonds in two series. Series A was issued for \$9,635,000. The bonds were sold to Hutchinson, Shockey, Erley & Co. for \$9,808,017. The bonds have a true interest rate of 1.7862% with principal payments due June 1 of the years 2013 through 2022. Series B was issued for \$4,840,000. The bonds were sold to UMB Bank, NA for \$4,812,483. The bonds have a true interest rate of 1.8121% with principal payments due June 1 of the years 2013 through 2022.

General obligation bonds outstanding as of June 30, 2012, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Governmental Activities	1.00 – 5.25%	\$100,336,458
Business-Type Activities	2.00 – 5.25%	8,153,542

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 6 – (Continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 17,774,346	\$ 3,243,128	\$ 1,355,654	\$ 241,968
2014	16,662,562	2,713,096	1,197,438	202,878
2015	14,206,578	2,183,258	1,008,422	167,748
2016	11,387,539	1,717,709	942,461	136,749
2017	9,732,654	1,344,083	682,346	109,522
2018-2022	30,572,779	2,664,646	2,967,221	259,736
Total	<u>\$ 100,336,458</u>	<u>\$ 13,865,920</u>	<u>\$ 8,153,542</u>	<u>\$ 1,118,601</u>

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 103,706,105	\$ 13,050,826	\$ 16,420,473	\$ 100,336,458	\$ 17,774,346
Unamortized Bond Charges	1,668,335	145,502	211,412	1,602,425	225,961
Notes Payable	8,353	---	7,157	1,196	1,196
Compensated Absences	3,212,270	3,359,299	3,196,762	3,374,807	2,309,476
Governmental Activities					
Long-term Liabilities	<u>\$108,595,063</u>	<u>\$ 16,555,627</u>	<u>\$ 19,835,804</u>	<u>\$ 105,314,886</u>	<u>\$ 20,310,979</u>
Business-Type Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 7,943,895	\$ 1,424,174	\$ 1,214,527	\$ 8,153,542	\$ 1,355,654
Notes Payable	122,823,726	27,921,449	10,041,859	140,703,316	7,317,000
Compensated Absences	422,358	318,508	364,270	376,596	296,822
Est. Liability for Landfill Closure	1,660,663	---	78,959	1,581,704	59,715
Business-type Activities					
Long-term Liabilities	<u>\$132,850,642</u>	<u>\$ 29,664,131</u>	<u>\$ 11,699,615</u>	<u>\$ 150,815,158</u>	<u>\$ 9,029,191</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 6 - (Continued)

The Governmental General Obligation Bonds are shown net of the unamortized premiums and discounts of \$1,602,425 on the Statement of Net Assets.

		Exhibit 1- Statement of Net Assets	
General Obligation Bonds	\$ 100,336,458	General Obligation Bonds Payable-current	\$18,000,307
Unamortized Bond Charges	1,602,425	General Obligation Bonds Payable-long term	83,938,576
	<u>\$101,938,883</u>		<u>\$101,938,883</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At June 30, 2012, \$207,098 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are liquidated by the funds where the employee's wages and benefits are allocated. For the above balances in compensated absences as of June 30, 2012, approximately 72% will be liquidated by the general fund, 21% by the special revenue funds, 1% by the capital projects fund and 6% by the internal service funds.

Arbitrage

Arbitrage rules apply to tax-exempt debt issued after August 31, 1986. The rules require that earnings from the investment of tax-exempt bond proceeds which exceed the yield on the bonds must be remitted to the federal government every five years.

The City entered into an agreement with an outside consulting firm to assist City personnel in reviewing arbitrage rebate calculations for the above bond issues. Those bond issues that have been reviewed show that no arbitrage rebate is owed.

Note 7 - Deficit Equity Balances

The Events Facilities Fund had a deficit fund balance at June 30, 2012, of \$946,145. The operation of the Convention Center and Tyson Events Center requires a high percentage of their costs to be fixed and therefore, when revenue is down, the fund operates at a deficit. It is anticipated that the fiscal year 2013 budget should correct this with a combination of revenue increases, taxes and control over expenditures.

The Comprehensive Insurance Fund showed a deficit balance at June 30, 2012, of \$25,987,501. The reason for the deficit is the adoption of GASB 45 which requires that the estimated amount of the post retirement benefit obligation be recorded. This liability was estimated and recorded at \$15,355,850 as of June 30, 2012. City management will be analyzing this situation to determine future action, if any, that will be taken to fund the deficit balance. In addition, the City has an anticipated liability for a lawsuit that is currently estimated at \$14,034,170. If these liabilities were not recorded, the fund would not have a deficit equity balance.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 8 – Internal Balances

The following is a summary of Interfund Receivables/Payables as of June 30, 2012:

Fund	Interfund Receivable	Interfund Payable
General	\$ 1,863,238	\$ 4,417
Nonmajor Governmental	4,270	1,677,433
Internal Service	14,153	
Airport		14,153
Nonmajor Enterprise	6,339	191,997
Totals	<u>\$ 1,888,000</u>	<u>\$ 1,888,000</u>

Interfund Balances represent amounts due to/from other funds including amounts to cover deficit cash balances at June 30, 2012.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 8 - Internal Balances (Continued)

The following is a summary of Transfers between Fund Types:

	Governmental Fund Types			
	General	Debt Service	Capital Improv	Nonmajor Govt
General	\$ 1,424,747	\$ 214,865	\$ 2,553,315	\$ 1,527,812
Employee Benefits	6,206,550	---	---	283,849
Local Opt Sales Tax	7,559,751	36,083	2,622,000	713,391
Debt Service	120,421	---	1,211,863	201,803
Capital Improvements	77,721	2,327,117	---	935,049
Nonmajor Govt	67,777	2,468,885	410,000	---
Skywalk	---	---	67,530	---
Sewer	---	---	70,000	---
Solid Waste	---	844,644	---	---
Internal Service	---	---	131,996	2,491
TOTAL TRANSFERS-IN	<u>\$ 15,456,967</u>	<u>\$ 5,891,594</u>	<u>\$ 7,066,704</u>	<u>\$ 3,664,395</u>

Transfers are used to:

1. Move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.
2. To move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.
3. To use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Proprietary Fund Types				Total
Airport	Parking	Water	Internal Service	Transfers Out
\$ ---	\$ ---	\$ ---	\$ ---	\$ 5,720,739
---	---	---	---	6,490,399
---	---	---	---	10,931,225
535,375	62,000	904,713	---	3,036,175
---	---	---	300,069	3,639,956
---	---	---	---	2,946,662
---	---	---	---	67,530
---	---	---	---	70,000
---	---	---	---	844,644
---	---	---	---	134,487
<u>\$ 535,375</u>	<u>\$ 62,000</u>	<u>\$ 904,713</u>	<u>\$ 300,069</u>	<u>\$ 33,881,817</u>

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 - Fund Balances

The following schedule reflects all Fund Balances as presented in the Fund Level Statements:

	General Fund	Major Special Revenue	
		Other Employee Benefits	Local Option Sales Tax
Fund Balances:			
Nonspendable:			
Inventory	\$ ---	\$ ---	\$ ---
Prepaid Items	378	---	---
Long-Term Notes Receivable	13,200	---	189,510
Endowment, non-expendable	---	---	---
Restricted for:			
Public Works	---	---	---
Comm & Econ Develop	---	---	---
Employee Benefits	---	151,928	---
Debt Service Reserve	---	---	---
Capital Projects	---	---	---
Other Purposes	---	---	---
Committed to:			
Public Safety	207,628	---	---
Public Works	8,559	---	---
Culture & Recreation	191,397	---	---
Comm & Econ Develop	53,309	---	---
General Governmental	18,525	---	---
Assigned to:			
Other Purposes	---	---	2,379,614
Unassigned:	7,868,807	---	---
Total Fund Balances	<u>\$ 8,361,803</u>	<u>\$ 151,928</u>	<u>\$ 2,569,124</u>

Major Debt Service Fund	Major Capital Improvements Fund	Other Funds	Total
\$ ---	\$ ---	\$ 136,503	\$ 136,503
---	394	26,231	27,003
---	242,306	---	445,016
---	---	1,058,731	1,058,731
---	---	391,564	391,564
---	---	10,180,086	10,180,086
---	---	---	151,928
8,914,435	---	---	8,914,435
---	38,994,881	---	38,994,881
---	---	41,688	41,688
---	---	---	207,628
---	---	511,612	520,171
390	---	81,366	273,153
---	---	---	53,309
769	---	---	19,294
---	---	---	2,379,614
---	---	(1,211,015)	6,657,792
<u>\$ 8,915,594</u>	<u>\$ 39,237,581</u>	<u>\$ 11,216,766</u>	<u>\$ 70,452,796</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 10 - Risk Management/Contingent Liabilities

The City participates in a number of federally assisted grant programs, principally Federal Aviation Administration, FTA Capital, Planning and Operating Assistance Grants, Federal Highway Construction Grants, and Community Development Block Grant. The programs are subject to financial and compliance audits. The amount of expenditures if any, which may be disallowed by the Grantor agencies is not determinable at this time; however, City officials do not believe that such amounts would be significant.

The City is a defendant in a number of lawsuits in its normal course of operations. During the year ended June 30, 2009, the City was named in a lawsuit and the estimated potential liability at that time was estimated at \$14,034,170. A recent court decision in a similar case is favorable for the City but because the City is self-insured and exposed to risks of this type, and for appeal reasons, the above amount remains as a liability on the City's financial statements for June 30, 2012. A provision for health claims incurred but unpaid as of June 30, 2012, of \$1,801,501 has also been recorded.

The City is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees, or acts of God. The City has self-insured itself since July 1, 1986 for general liability, automobile, transit and workers compensation. The City began self-insuring health coverage as of July 1, 1988. It is self-insured for health coverage risk up to \$150,000, specific, and 125% of expected annual paid claims in the aggregate.

The self-insurance programs are administered using an internal service fund, the Comprehensive Insurance fund, which records premium revenue as "Charges for Service". All funds of the City participate in the self-insurance programs and make payments to the Comprehensive Insurance fund based on pre-determined amounts needed to pay prior and current year claims and to establish a reserve for future catastrophic losses. Currently, the City is unfunded for reserves to cover incurred but unreported claims and unanticipated claim fluctuations.

The City maintains outside insurance coverage through various insurance policies on buildings and their contents, equipment and property, employee dishonesty, and excess health coverage throughout 2012. There have been no significant reductions in insurance coverage from prior years. The City has had no amount of settlements exceeding insurance coverage for each of the past eight fiscal years.

The claims payable, including claims incurred but not yet reported, have been determined by the City's management and have been recorded in the accompanying financial statements. Changes in the fund's claims liability amount were as follows:

Year Ended June 30	Beginning Balance Liability	Claims and Changes in Estimates	Claim Payments	Ending Balance
2003	\$5,267,127	\$7,879,845	\$8,187,698	\$4,959,274
2004	4,959,274	6,998,492	8,238,600	3,719,166
2005	3,719,166	7,357,918	8,192,022	2,885,062
2006	2,885,062	9,944,427	9,380,340	3,449,149
2007	3,449,149	11,229,811	11,067,228	3,611,732
2008	3,611,732	10,081,862	9,694,343	3,999,251
2009	3,999,251	25,906,313	11,458,687	18,446,877
2010	18,446,877	12,386,583	12,023,692	18,809,768
2011	18,809,768	11,986,751	12,910,256	17,886,263
2012	\$17,886,263	\$15,592,769	\$12,974,935	\$20,504,097

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 11 - Commitments

The City has recognized as a liability only that portion of construction contracts completed through June 30, 2012. The following summary presents the amount of contracts outstanding at June 30, 2012 for both Governmental and Enterprise Funds combined:

Construction	\$ 13,597,195
Design & Engineering Services	4,636,586
Other	2,434,505
Less: Due, but unpaid at June 30, 2012	<u>(4,183,431)</u>
Construction Contract Commitments	<u>\$ 16,484,855</u>

Governmental contracts and encumbrances outstanding at June 30, 2012 are listed below and are included in fund balance committed amounts but do not include encumbered amounts already previously restricted:

	General Fund	Non-Major Governmental	Debt Service	Total
Public Safety	\$ 207,628	\$ ---	\$ ---	\$ 207,628
Public Works	8,559	83,293	---	91,852
Culture & Recreation	191,397	81,366	390	273,153
Community & Economic Development	53,309	---	---	53,309
General Government	18,525	---	769	19,294
Totals	<u>\$ 479,418</u>	<u>\$ 164,659</u>	<u>\$1,159</u>	<u>\$645,236</u>

As of June 30, 2012 the City had \$992,069 outstanding purchase orders of the total encumbrances carried over listed above, while commitments under development agreements totaled \$400,000.

Under an agreement with the Iowa Department of Transportation approved by the City Council in June 2008, the City has a commitment to cover the cost to relocate the riverfront trail in accordance with the Interstate 29 Reconstruction Project. The City's share of the costs is estimated at \$1,111,154. The amount is payable upon completion of the project in three equal annual installments with the first installment projected to be due January 1, 2014.

The City Council approved a pre-design agreement with the Iowa Department of Transportation for the Interstate 29 Reconstruction Project (Segment 2) on April 13, 2009. The City's share of the costs is expected to be \$26,133,920.

The City approved a 28E Agreement for developmental services with the Sioux City Community School District. The City is responsible for infrastructure improvements totaling \$475,000 at the site of a newly proposed school.

The City approved a 28E Agreement for developmental services with the Sioux City Community School District. The City is responsible for infrastructure improvements totaling \$413,000 at the site of the proposed Washington School.

The City approved an agreement to develop the area around the Heelan campus. The City's share of the costs is expected to be \$1,284,533.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 12 - Deferred Revenues

Deferred Revenues, which are measurable but not yet available at June 30, 2012, are as follows:

	<u>EXHIBIT 1</u>	<u>EXHIBIT 3</u>	<u>EXHIBIT 5</u>
Property Taxes	\$ 49,116,755	\$ 49,317,716	\$ ---
Special Assessments	---	1,716,538	---
Unearned Revenue	<u>560,000</u>	<u>292,451</u>	<u>560,000</u>
Total Deferred Revenues	<u>\$ 49,676,755</u>	<u>\$ 51,326,705</u>	<u>\$ 560,000</u>

Note 13 - Joint Venture

The Woodbury County Information and Communication Commission (WCICC) was formed in fiscal year 1988. WCICC was established to operate a combined data processing and communications center for the City and the County. Each governmental unit selects two of its members to serve on the commission and a fifth member is selected by the commission. The operating budget is approved by both governments with contributions for operations from both. All assets, liabilities and equity are owned on a 60/40 basis. The City maintains the financial records and bank accounts of WCICC, which are recorded as an agency fund of the City (see Exhibit D-2). The fixed assets are reported directly on the City/County financials per the 60/40 ownership. The remaining equity is recorded as an investment in joint venture on the City/County financials per the same 60/40 ownership. The equity for the current fiscal year ended in a negative balance and therefore is not recorded on the balance sheet. Summary financial information as of, and for the fiscal year ended June 30, 2012, is presented as follows:

Capital Assets	\$ 296,444
Other Assets	<u>359,483</u>
Total Assets	<u>655,927</u>
 Total Liabilities	 378,012
Fund Equity	<u>277,915</u>
Total Liabilities and Fund Equity	<u>655,927</u>
 Total Revenue	 2,511,509
Total Expenditures	<u>(3,025,657)</u>
Net Increase (Decrease) in Fund Balance	<u>\$ (514,148)</u>

The Woodbury County Information and Communication Commission does not publish a Comprehensive Annual Financial Report. The City's share of the fixed assets is reported in governmental activities.

City's Share of Joint Venture	
Assets	60%
Liabilities	60%
Equity	60%

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 14 - Post-Employment Health Care Benefits

During fiscal 2007, the City adopted the provisions of GASB 45 "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions". The major change under GASB 45 is to attribute the cost of post-employment benefits to the time during which the employee is working for the employer. Accordingly, a prospective liability is recorded at June 30, 2012 for a Post-Employment Benefit Obligation as determined by an actuarial calculation.

Plan Description. The City offers medical insurance benefits to eligible retirees and their spouses. The benefits are covered under the City's health care plan with the premium cost to be paid by the retiree. The City is self-insured for medical benefits. Premiums are calculated based on prior year claim experiences and amounts needed to fund the plan operations. No stand alone financial report is issued; the plan is self-funded and included in the City's financial statements.

Funding Policy. The City is currently reviewing its options on funding the plan. This is a liability of the City's Comprehensive Insurance Fund and will be liquidated as required by the Internal Service Fund, which will then charge the applicable City funds at that time.

Annual OPEB Cost and NET OPEB Obligation. The City's postemployment benefit plan is a single-employer defined benefit plan. The Other Employee Benefits fund is used to liquidate the net other postemployment benefit obligation. The City's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan:

Annual required contribution	\$ 1,937,000
Interest on net OPEB obligation	635,850
Adjustment to annual required contribution	(490,000)
Annual OPEB cost (expense)	2,082,850
Contributions made	(857,000)
Increase in net OPEB obligation	1,225,850
Net OPEB obligation – beginning of year	14,130,000
Net OPEB obligation – end of year	<u>\$ 15,355,850</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2007 through 2012 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2007	\$ 4,032,002	16.2%	\$ 3,379,801
2008	4,233,602	13.7%	7,031,563
2009	4,462,521	19.1%	10,641,835
2010	3,227,568	32.2%	12,831,000
2011	2,024,000	35.9%	14,130,000
2012	\$ 2,082,850	41.2%	\$ 15,355,850

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 14 – (Continued)

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2012, was as follows:

Actuarial accrued liability (AAL)	\$ 25,911,000
Actuarial value of plan assets	---
Unfunded actuarial accrued liability (UAAL)	<u>\$ 25,911,000</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 42,379,587
UAAL as a percentage of covered payroll	61.14%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point and do not explicitly reflect the potential effects of legal or contractual funding limitations. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2011, actuarial valuation, the projected unit credit actuarial cost method was used. The amortization periods used include a level percent of pay and are open. The actuarial assumptions included a 4.5% interest discount rate and an annual medical healthcare cost trend rate of 11% initially, reduced by decrements to an ultimate rate of 5% after 11 years, as well as a 3.5% growth in payroll per annum. An inflation rate of 0% is assumed for purposes of this computation.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2010 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2010.

Note 15 - Employee Benefits

Vacation hours for City employees are accumulated for subsequent use or for payment upon termination, retirement or death up to a maximum ranging from 120 to 200 hours based upon number of years employed.

Severance pay is paid to all employees of the Professional, Administrative, Technical, Supervisory, Executive and Council Appointed employees group (PATS), with a minimum of 15 years of consecutive service with the City. The pay is based on three day's pay for each full twelve months of consecutive service upon retirement, resignation, death or termination (other than for disciplinary reasons).

Vacation and severance pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. At June 30, 2012, one employment agreement involving termination benefits was in effect. These termination benefits include

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 15 - (Continued)

severance, health, life and long term disability benefits. The long-term portion of \$169,681 is reported in the governmental activities in the government-wide statements. The liabilities were calculated based on current salary rates and benefit cost at the time of statement preparation.

City employees accumulate sick leave hours for subsequent use. Sick leave hours are not a vested benefit and expire if unused upon termination, death or retirement, with the exception of the Transit System's employees covered by the Amalgamated Transit Union Agreement with the City of Sioux City. These employees receive a benefit of up to 120 days of paid sick leave upon death or retirement. The accumulated sick leave under this agreement for transit employees is recorded only in the government-wide financial statements. All other accumulated sick leave is not recognized as an expenditure until used or paid as it is not measurable at June 30, 2012.

Compensated absences consist of the following amounts as of June 30, 2012:

Accrued Vacation	\$ 2,435,900
Accrued Severance Pay	985,469
Accrued Transit Sick Leave	160,353
Accrued Termination Benefits	169,681
Total	<u>\$ 3,751,403</u>

Compensated absences have been recorded as follows:

	<u>CURRENT</u>	<u>LONG-TERM</u>	<u>TOTAL</u>
Enterprise Funds	\$ 296,822	\$ 79,774	\$ 376,596
Internal Service Funds	121,729	85,369	207,098
Government-Wide Statement	2,187,747	979,962	3,167,709
	<u>\$ 2,606,298</u>	<u>\$ 1,145,105</u>	<u>\$ 3,751,403</u>

Note 16 - Pension and Retirement

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The City contributes to the Iowa Public Employees' Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 5.38% of their annual covered salary and the City is required to contribute 8.07% of annual covered payroll. Contribution requirements are established by State statute. The City's contribution to IPERS for the years ended June 30, 2012, 2011 and 2010 were \$2,192,127, \$1,864,429, and \$1,719,833, respectively, equal to the required contributions for each year.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Note 16 - Pension and Retirement - (Continued)

POLICE AND FIRE RETIREMENT SYSTEM

The City contributes to the Municipal Fire & Police Retirement System of Iowa (MFPRSI) which is a cost-sharing multiple-employer defined benefit pension plan administered by a Board of Trustees appointed by the State of Iowa. MFPRSI provides retirement, disability, and death benefits, which are established by State statute to plan members and beneficiaries. MFPRSI issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to MFPRSI, 7155 Lake Drive, Suite 201, West Des Moines, Iowa 50266.

Plan members are required to contribute 9.4% of earnable compensation and the City's contribution rate, based upon an actuarially determined normal contribution rate, cannot be less than 17.00 percent of earnable compensation. Contribution requirements are established by State statute. The City's contribution to MFPRSI for the years ended June 30, 2012, 2011 and 2010 were \$3,922,797 (24.75%), \$3,100,839 (19.90%), and \$2,623,941 (17.00%), respectively, equal to the required contributions for each year.

Note 17 - Landfill Closures and Post-Closure Care Costs

State and federal laws and regulations require the City's Solid Waste System to place a final cover on its 28th Street landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill was closed as of October 1, 2007. A consulting engineer's estimate for total costs prepared as of February 28, 2012 was \$1,581,704. This full amount has been accrued by the City as of June 30, 2012. Of this amount, it was estimated that \$59,715 would be incurred within the next fiscal year. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The State of Iowa specifies financial assurance requirements in Code Section 567-Chapter 11. The Iowa Code enumerates various allowable financial assurance mechanisms to meet the costs of closure and post-closure care. The City satisfies this requirement with a Local Government Dedicated Fund passed and approved on June 16, 2003, under Resolution 2003-000501.

Note 18 - Extraordinary Loss

During the year ended June 30, 2009, the City was named in a lawsuit and the estimated potential liability at that time was estimated at \$14,034,170. A recent court decision in a similar case is favorable for the City, but because the City is self-insured and exposed to risks of this type, and for appeal reasons, the above amount remains as a liability on the City's financial statements.

Note 19 – Other Information

The City of Sioux City is under obligation from the State of Iowa to remediate underground pollution located at the Sioux City Gateway Airport. The pollution was caused during the 1930's by underground storage tanks leaking petroleum-based substances. Since then, the storage tanks have been removed, but the underground contamination remains. The cost to remediate the pollution is not reasonably estimable at this time.

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)

In accordance with the Governmental Accounting Standards Board Statements No. 25, No. 27 and No. 34, the following information is a required part of the basic financial statements.

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CITY OF SIOUX CITY, IOWA
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL - ALL GOVERNMENTAL AND PROPRIETARY FUNDS¹
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30,2012

	Governmental Fund Types Actual	Internal Service Funds Actual	Proprietary Funds Actual
<u>REVENUES</u>			
Taxes	\$ 62,436,249	\$ ---	\$ ---
Special Assessments	206,362	---	---
Regulatory Fees	3,933,570	---	---
Intergovernmental Revenue ²	29,624,144	187	1,377,051
Revenue from Use of Property	5,446,112	118,225	2,389,872
Charges for Service	9,026,606	24,537,284	39,321,378
Miscellaneous	1,639,137	611,202	150,356
Total Revenues	112,312,180	25,266,898	43,238,657
<u>EXPENDITURES</u>			
Public Safety	33,480,041	---	---
Public Works	14,549,841	---	---
Culture and Recreation	16,057,731	---	---
Community and Economic Development	9,641,691	---	---
General Government	3,477,530	---	---
Debt Service	22,448,360	---	4,110,371
Capital Projects ²	31,835,793	---	---
Business-Type/Enterprises ²	---	29,583,098	31,994,305
Total Expenditures	131,490,987	29,583,098	36,104,676
Excess (Deficiency) of Revenues Over Expenditures	(19,178,807)	(4,316,200)	7,133,981
<u>OTHER FINANCING SOURCES (USES)</u>			
Other Financing Sources	45,315,904	300,069	1,502,088
Other Financing Uses	(32,792,673)	(134,487)	(982,174)
Total Other Financing Sources	12,523,231	165,582	519,914
Net Change in Fund Balance (Deficit)	(6,655,576)	(4,150,618)	7,653,895
Fund Balance - Beg. of Year	77,108,372	(8,793,698)	127,970,983
Fund Balance (Deficit)- End of Year	\$ 70,452,796	\$ (12,944,316)	\$ 135,624,878

Notes:

¹ In accordance with the Code of Iowa, the City Council annually adopts a budget following required public notice and hearing which includes all funds, except agency funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. The City budgets on a modified accrual basis of accounting for all governmental funds and on the accrual basis for proprietary fund types. Formal and legal budgetary control is based upon eight major classes of expenditures known as functions, not by fund or fund type. These eight functions are: Public Safety, Public Works, Culture and Recreation, Community and Economic Development, General Government, Debt Service, Capital Projects, and Business-Type/Enterprises. The legal level of control is at the aggregated function level, not at the fund or fund type level.

² Intergovernmental revenue and the expenditures for capital projects and enterprises are significantly below budgeted amounts due to the timing of when projects are actually completed and the corresponding revenue is received.

Total Actual	Budgeted Amounts		Final Budget Over (Under)
	Original	Final	
\$ 62,436,249	\$ 63,030,158	\$ 66,299,158	\$ (3,862,909)
206,362	227,230	397,230	(190,868)
3,933,570	4,913,717	10,768,717	(6,835,147)
31,001,382	40,875,116	156,936,555	(125,935,173)
7,954,209	7,182,042	16,957,676	(9,003,467)
72,885,268	71,499,326	81,589,326	(8,704,058)
2,400,695	5,129,008	19,506,738	(17,106,043)
180,817,735	192,856,597	352,455,400	(171,637,665)
33,480,041	32,898,129	39,564,705	(6,084,664)
14,549,841	14,580,535	31,788,879	(17,239,038)
16,057,731	17,190,635	29,121,946	(13,064,215)
9,641,691	13,014,570	22,095,717	(12,454,026)
3,477,530	6,955,963	14,938,205	(11,460,675)
26,558,731	23,864,884	43,166,312	(16,607,581)
31,835,793	117,027,700	141,529,231	(109,693,438)
61,577,403	91,576,108	172,163,276	(110,585,873)
197,178,761	317,108,524	494,368,271	(297,189,510)
(16,361,026)	(124,251,927)	(141,912,871)	125,551,845
47,118,061	62,852,202	73,800,368	(26,682,307)
(33,909,334)	(51,903,849)	(51,903,849)	(17,994,515)
13,208,727	10,948,353	21,896,519	(8,687,792)
\$ (3,152,299)	(113,303,574)	(120,016,352)	\$ 116,864,053
	143,397,350	143,397,350	
	\$ 30,093,776	\$ 23,380,998	

**CITY OF SIOUX CITY, IOWA
POST EMPLOYMENT HEALTHCARE BENEFITS
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2012**

EXHIBIT 10

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
2005	6/30/2005 *	N/A	N/A	N/A	N/A	N/A	N/A
2006	6/30/2006 *	N/A	N/A	N/A	N/A	N/A	N/A
2007	6/30/2007	\$ ---	\$47,002,628	\$47,002,628	0.00%	\$39,151,301	120.1%
2008	6/30/2008	\$ ---	\$47,002,628	\$47,002,628	0.00%	\$38,749,440	121.3%
2009	6/30/2009	\$ ---	\$47,002,628	\$47,002,628	0.00%	\$39,629,916	118.6%
2010	6/30/2010	\$ ---	\$34,631,716	\$34,631,716	0.00%	\$41,006,803	84.5%
2011	6/30/2011	\$ ---	\$25,911,000	\$25,911,000	0.00%	\$41,948,644	61.8%
2012	6/30/2011	\$ ---	\$25,911,000	\$25,911,000	0.00%	\$42,379,587	61.1%

* Fiscal 2007 was the first year for calculating the Post Employment Benefit Obligation so information from previous years is not available.

CITY OF SIOUX CITY, IOWA
OTHER SUPPLEMENTARY INFORMATION

**CITY OF SIOUX CITY, IOWA
COMBINING FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

The following funds included in this fund type and their purposes are as follows:

MAJOR FUNDS:

Other Employee Benefits - To account for the City's employee benefits tax levy.

Local Option Sales Tax - To account for revenue generated by the one percent local option sales tax.

NON-MAJOR FUNDS:

Storm Water Drainage - To account for the collection of revenues for Storm Water Drainage Fees.

Road Use - To account for State revenues allocated to the City for maintenance and improvement of City streets.

Community Development - To account for the use of Community Development Block Grant Funds as received from the Federal Government.

Housing - To account for the operations of Federal Section 8, low income housing projects and municipally sponsored rent payment assistance programs.

Main Street - To account for the collection of a levy to fund the revitalization of the City's downtown area.

Events Facilities - To account for revenue generated by the operations of the Convention Center and the Tyson Events Center.

Transit System - To account for the Transit levy and operations of the City's bus and other transit services.

Permanent Fund - Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

The following fund included in this fund type and its purpose is as follows:

Cemetery Trust - To account for the activity of the cemeteries of the City.

**CITY OF SIOUX CITY, IOWA
COMBINING BALANCE SHEET
GOVERNMENTAL NONMAJOR FUNDS
JUNE 30, 2012**

Special Revenue Funds

ASSETS	Storm Water Drainage	Road Use	Community Development	Housing
Cash and Cash Equivalents	\$ 353,984	\$ 440	\$ 270,202	\$ 1,439,185
Accounts Receivable	68,653	65	63	5,689
Accrued Interest Receivable	---	---	815,332	---
Notes Receivable	---	---	7,498,218	29,952
Special Assessments	16,113	---	---	---
Due from Other Governments	---	649,439	595,408	---
Due from Other Funds	---	---	---	---
Inventories	---	---	---	---
Prepaid Items	---	---	5,283	---
Total Assets	<u>438,750</u>	<u>649,944</u>	<u>9,184,506</u>	<u>1,474,826</u>
LIABILITIES				
Accounts Payable	---	135,675	48,237	65,964
Accrued Wages	---	122,705	30,495	32,221
Contracts & Retainers Payable	---	---	272,377	---
Due to Other Governments	10,431	---	---	---
Due to Other Funds	---	---	---	---
Deferred Revenue	---	---	---	29,952
Total Liabilities	10,431	258,380	351,109	128,137
FUND BALANCES				
Non-Spendable:				
Inventory	---	---	---	---
Prepaid Items	---	---	---	---
Endowment, non-expendable	---	---	---	---
Restricted	---	391,564	8,833,397	1,346,689
Committed	428,319	---	---	---
Unassigned	---	---	---	---
Total Fund Balances (Deficit)	<u>428,319</u>	<u>391,564</u>	<u>8,833,397</u>	<u>1,346,689</u>
Total Liabilities and Fund Balances	<u>\$ 438,750</u>	<u>\$ 649,944</u>	<u>\$ 9,184,506</u>	<u>\$ 1,474,826</u>

				Permanent Fund	
Main Street	Events Facilities	Transit Operations	Cemetery Trust	Total Governmental Nonmajor Funds	
\$ 36,020	\$ ---	\$ ---	\$ 1,051,342	\$ 3,151,173	
---	101,903	44,040	7,389	227,802	
---	---	---	---	815,332	
---	---	---	---	7,528,170	
---	---	---	---	16,113	
126,976	1,492	1,456,719	---	2,830,034	
---	817	3,453	---	4,270	
---	136,503	---	---	136,503	
---	26,231	---	---	31,514	
162,996	266,946	1,504,212	1,058,731	14,740,911	
---	750,160	16,253	---	1,016,289	
---	97,053	63,947	---	346,421	
---	---	39,685	---	312,062	
---	10,249	---	---	20,680	
---	355,629	1,321,804	---	1,677,433	
121,308	---	---	---	151,260	
121,308	1,213,091	1,441,689	---	3,524,145	
---	136,503	---	---	136,503	
---	26,231	---	---	26,231	
---	---	---	1,058,731	1,058,731	
41,688	---	---	---	10,613,338	
---	81,366	83,293	---	592,978	
---	(1,190,245)	(20,770)	---	(1,211,015)	
41,688	(946,145)	62,523	1,058,731	11,216,766	
\$ 162,996	\$ 266,946	\$ 1,504,212	\$ 1,058,731	\$ 14,740,911	

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

Special Revenue Funds				
REVENUES	Storm Water Drainage	Road Use	Community Development	Housing
Taxes	\$ ---	\$ ---	\$ ---	\$ ---
Special Assessments	19,711	---	9,300	---
Intergovernmental Revenue	---	7,850,472	3,693,600	4,751,828
Revenue from Use of Property	---	5,063	---	292
Charges for Services	1,319,244	---	794	---
Interest	8,724	---	299,469	2,078
Miscellaneous	---	39,118	28,515	85,174
Total Revenue	1,347,679	7,894,653	4,031,678	4,839,372
EXPENDITURES				
Current:				
Public Works	132,310	8,436,303	---	---
Culture and Recreation	---	---	---	---
Community and Economic Development	---	---	3,474,187	4,981,851
Capital Projects	---	---	358,813	---
Total Expenditures	132,310	8,436,303	3,833,000	4,981,851
Excess (Deficiency) of Revenues Over Expenditures	1,215,369	(541,650)	198,678	(142,479)
OTHER FINANCING SOURCES (USES)				
Transfers In	31,427	666,444	2,491	---
Transfers Out	(1,712,700)	(50,000)	(1,101,913)	---
Total Other Financing Sources (Uses)	(1,681,273)	616,444	(1,099,422)	---
Net Change in Fund Balance	(465,904)	74,794	(900,744)	(142,479)
Fund Balance (Deficit) - Beginning of Year	894,223	316,770	9,734,141	1,489,168
Fund Balance (Deficit) - End of Year	\$ 428,319	\$ 391,564	\$ 8,833,397	\$ 1,346,689

Special Revenue Funds			Permanent Fund	Total Governmental Nonmajor Funds
Main Street	Events Facilities	Transit Operations	Cemetery Trust	
\$ 119,284	\$ ---	\$ ---	\$ ---	\$ 119,284
---	---	---	---	29,011
---	1,492	1,918,536	---	18,215,928
---	4,256,845	63,905	39,276	4,365,381
---	999,869	1,367,768	---	3,687,675
---	---	---	---	310,271
---	337,025	115,916	---	605,748
119,284	5,595,231	3,466,125	39,276	27,333,298
---	---	4,290,363	---	12,858,976
---	7,220,081	---	---	7,220,081
299,000	---	---	---	8,755,038
---	---	---	---	358,813
299,000	7,220,081	4,290,363	---	29,192,908
(179,716)	(1,624,850)	(824,238)	39,276	(1,859,610)
179,603	1,423,445	1,360,985	---	3,664,395
---	---	(82,049)	---	(2,946,662)
179,603	1,423,445	1,278,936	---	717,733
(113)	(201,405)	454,698	39,276	(1,141,877)
41,801	(744,740)	(392,175)	1,019,455	12,358,643
\$ 41,688	\$ (946,145)	\$ 62,523	\$ 1,058,731	\$ 11,216,766

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**CITY OF SIOUX CITY, IOWA
COMBINING FINANCIAL STATEMENTS
ENTERPRISE FUNDS**

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The following funds included in this fund type and their purposes are as follows:

MAJOR FUNDS:

Airport System - To account for the operations of the Sioux Gateway Airport.

Water System - To account for the operations of the City's water facilities and services.

Sewer System - To account for the operations of the City's sewage treatment facilities and services.

Solid Waste System - To account for the operations of the City's sanitary landfill facilities.

NON-MAJOR FUNDS:

Parking Facilities - To account for the operations of the City-owned parking ramps and other parking facilities.

Skyway System - To account for the maintenance and security of the skyway system.

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2012**

EXHIBIT B-1

<u>ASSETS</u>	<u>Parking Facilities</u>	<u>Skyway System</u>	<u>Totals</u>
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 1,269,770	\$ ---	\$ 1,269,770
Accounts Receivable	165,245	214,574	379,819
Accrued Interest Receivable	1,675	---	1,675
Due from Other Governments	1,208	---	1,208
Due from Other Funds	---	6,339	6,339
Total Current Assets	1,437,898	220,913	1,658,811
<u>Non-Current Assets</u>			
Fixed Assets, Net of Accumulated Depreciation	8,231,850	---	8,231,850
Total Non-Current Assets	8,231,850	---	8,231,850
Total Assets	9,669,748	220,913	9,890,661
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Accounts Payable	25,498	11,956	37,454
Accrued Wages and Compensated Absences	45,226	17,812	63,038
Accrued Interest Payable	5,957	---	5,957
Contracts and Retainers Payable	3,557	---	3,557
Due to Other Funds	852	191,145	191,997
Current Portion of G.O. Bonds	423,246	---	423,246
Matured Bonds and Coupons Payable	7,612	---	7,612
Deferred Revenue	560,000	---	560,000
Total Current Liabilities	1,071,948	220,913	1,292,861
<u>Non-Current Liabilities</u>			
General Obligation Bonds, Net of Current Portion	1,827,836	---	1,827,836
Total Non-current Liabilities	1,827,836	---	1,827,836
Total Liabilities	2,899,784	220,913	3,120,697
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	5,980,768	---	5,980,768
Unrestricted	789,196	---	789,196
Total Net Assets	\$ 6,769,964	\$ ---	\$ 6,769,964

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

EXHIBIT B-2

	<u>Parking Facilities</u>	<u>Skyway System</u>	<u>Totals</u>
<u>OPERATING REVENUES</u>			
Charges for Services	\$ 1,423,385	\$ 449,611	\$ 1,872,996
Total Operating Revenues	1,423,385	449,611	1,872,996
<u>OPERATING EXPENSES</u>			
Employee Services	382,289	81,456	463,745
Supplies and Services	397,386	164,787	562,173
Repairs and Improvements	232,115	89,785	321,900
Utilities	1,971	46,053	48,024
Depreciation	479,604	---	479,604
Total Operating Expenses	1,493,365	382,081	1,875,446
Net Operating Income (Loss)	(69,980)	67,530	(2,450)
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Income	4,750	---	4,750
Interest Expense	(77,224)	---	(77,224)
Total Non-Operating (Expenses)	(72,474)	---	(72,474)
Income (Loss) Before Transfers	(142,454)	67,530	(74,924)
Transfers In	62,000	---	62,000
Transfers Out	---	(67,530)	(67,530)
Changes in Net Assets	(80,454)	---	(80,454)
Net Assets - Beginning of Year	6,850,418	---	6,850,418
Net Assets - End of Year	\$ 6,769,964	\$ ---	\$ 6,769,964

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

EXHIBIT B-3

	Parking Facilities	Skyway System	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 1,414,770	\$ 350,252	\$ 1,765,022
Cash Paid for Personal Services	(374,301)	(79,768)	(454,069)
Cash Paid to Suppliers	(795,148)	(270,484)	(1,065,632)
Net Cash Provided by Operating Activities	245,321	---	245,321
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Proceeds from Bond Sales	484,174	---	484,174
Principal Paid on Notes and Bonds	(376,311)	---	(376,311)
Interest Paid on Notes and Bonds	(77,746)	---	(77,746)
Net Cash Provided by Capital and Related Financing Activities	30,117	---	30,117
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Transfers In	62,000	---	62,000
Net Cash Provided by Non-Capital Financing Activities	62,000	---	62,000
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and Dividends on Investments	3,340	---	3,340
Net Cash Provided by Investing Activities	3,340	---	3,340
Net Increase in Cash and Cash Equivalents	340,778	---	340,778
Cash and Cash Equivalents at Beginning of Year	928,992	---	928,992
Cash and Cash Equivalents at End of Year	<u>\$ 1,269,770</u>	<u>\$ ---</u>	<u>\$ 1,269,770</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>			
Operating Income (Loss)	\$ (69,980)	\$ 67,530	\$ (2,450)
<i>Adjustments to Reconcile Operating (Loss)</i> <i>to Net Cash Provided by Operating Activities:</i>			
Depreciation	479,604	---	479,604
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>			
Accounts Receivable	(9,118)	(97,901)	(107,019)
Due from Other Funds	503	(1,458)	(955)
Accounts Payable	(9,625)	(1,945)	(11,570)
Accrued Wages and Compensated Absences	7,988	1,688	9,676
Contracts and Retainers Payable	(49,903)	---	(49,903)
Due to Other Funds	852	32,086	32,938
Deferred Revenues	(105,000)	---	(105,000)
Total Adjustments	315,301	(67,530)	247,771
Net Cash Provided by Operating Activities	<u>\$ 245,321</u>	<u>\$ ---</u>	<u>\$ 245,321</u>

**CITY OF SIOUX CITY, IOWA
COMBINING FINANCIAL STATEMENTS
INTERNAL SERVICE FUNDS**

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

The following funds included in this fund type and their purposes are as follows:

Central Maintenance Garage - To account for maintenance and repair services for the City's automotive equipment and acquisition of replacement vehicles.

Comprehensive Insurance - To account for the funding and maintenance of the City's insurance policies provided to user departments.

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2012**

EXHIBIT C-1

	<u>Central Maintenance</u>	<u>Comprehensive Insurance</u>	<u>Totals</u>
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 6,076,036	\$ 9,796,464	\$ 15,872,500
Accounts Receivable	90,253	82,273	172,526
Accrued Interest Receivable	154	9,590	9,744
Notes Receivable	56,227	---	56,227
Due from Other Governments	187	---	187
Due from Other Funds	14,153	---	14,153
Inventories, at Cost	287,501	---	287,501
Prepaid Items	---	172,229	172,229
Total Current Assets	6,524,511	10,060,556	16,585,067
<u>OTHER ASSETS</u>			
Advances to Other Funds	59,278	---	59,278
<u>Non-Current Assets</u>			
Capital Assets, Net of Accumulated Depreciation	7,023,538	---	7,023,538
Total Assets	13,607,327	10,060,556	23,667,883
<u>LIABILITIES</u>			
Accounts Payable	399,606	53,726	453,332
Accrued Wages and Compensated Absences	164,536	127,498	292,034
Contracts and Retainers Payable	---	6,886	6,886
Post Employment Benefit Obligation	---	15,355,850	15,355,850
Estimated Liability for Damage Claims	---	20,504,097	20,504,097
Total Liabilities	564,142	36,048,057	36,612,199
<u>NET ASSETS</u>			
Invested in Capital Assets	7,023,538	---	7,023,538
Unrestricted	6,019,647	(25,987,501)	(19,967,854)
Total Net Assets	\$ 13,043,185	\$ (25,987,501)	\$ (12,944,316)

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

EXHIBIT C-2

	<u>Central Maintenance</u>	<u>Comprehensive Insurance</u>	<u>Totals</u>
<u>OPERATING REVENUE</u>			
Revenue from Use of Property	\$ 91,800	\$ ---	\$ 91,800
Charges for Services	9,788,380	14,748,904	24,537,284
Total Operating Revenues	9,880,180	14,748,904	24,629,084
<u>OPERATING EXPENSES</u>			
Employee Services	2,072,499	13,758,574	15,831,073
Supplies and Services	949,293	1,153,204	2,102,497
Repairs and Improvements	5,847,458	4,430	5,851,888
Utilities	24,321	536	24,857
Depreciation	2,219,738	---	2,219,738
Damage Settlement	---	3,553,045	3,553,045
Total Operating Expenses	11,113,309	18,469,789	29,583,098
Net Operating (Loss)	(1,233,129)	(3,720,885)	(4,954,014)
<u>NON-OPERATING REVENUES</u>			
Intergovernmental Revenue	187	---	187
Interest Income	5,961	20,464	26,425
Gain on Sale of Capital Assets	90,008	---	90,008
Other Non-Operating Revenues	521,194	---	521,194
Total Non-Operating Revenues	617,350	20,464	637,814
Income (Loss) Before Transfers	(615,779)	(3,700,421)	(4,316,200)
Transfers In	213,519	86,550	300,069
Transfers Out	(134,487)	---	(134,487)
Changes in Net Assets	(536,747)	(3,613,871)	(4,150,618)
Net Assets - Beginning of Year	13,579,932	(22,373,630)	(8,793,698)
Net Assets - End of Year	\$ 13,043,185	\$ (25,987,501)	\$ (12,944,316)

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

EXHIBIT C-3

	Central Maintenance	Comprehensive Insurance	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 10,173,142	\$ 14,805,771	\$ 24,978,913
Cash Paid for Personal Services	(2,059,052)	(12,529,618)	(14,588,670)
Cash Paid to Suppliers	(6,804,370)	(2,118,125)	(8,922,495)
Other Non-Operating Revenue	521,194	---	521,194
Net Cash Provided by Operating Activities	1,830,914	158,028	1,988,942
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Acquisition and Construction of Capital Assets	(1,826,590)	---	(1,826,590)
Proceeds from Sale of Assets	162,187	---	162,187
Net Cash (Used) by Capital and Related Financing Activities	(1,664,403)	---	(1,664,403)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Intergovernmental Revenue	187	---	187
Transfers In	213,519	86,550	300,069
Transfers Out	(134,487)	---	(134,487)
Net Cash Provided by Non-Capital Financing Activities	79,219	86,550	165,769
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and Dividends on Investments	5,807	17,637	23,444
Payments Received on Notes Receivable	24,448	---	24,448
Net Cash Provided by Investing Activities	30,255	17,637	47,892
Net Increase in Cash and Cash Equivalents	275,985	262,215	538,200
Cash and Cash Equivalents at Beginning of Year	5,800,051	9,534,249	15,334,300
Cash and Cash Equivalents at End of Year	\$ 6,076,036	\$ 9,796,464	\$ 15,872,500
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u>			
<u>PROVIDED BY OPERATING ACTIVITIES</u>			
Operating (Loss)	\$ (1,233,129)	\$ (3,720,885)	\$ (4,954,014)
<i>Adjustments to Reconcile Operating (Loss)</i> <i>to Net Cash Provided by Operating Activities:</i>			
Depreciation	2,219,738	---	2,219,738
Other Non-Operating Revenues	521,194	---	521,194
<i>(Increase) Decrease in Assets and</i> <i>Increase (Decrease) in Liabilities:</i>			
Accounts Receivable	291,751	56,871	348,622
Due from Other Governments	(187)	---	(187)
Due from Other Funds	1,398	---	1,398
Inventories	(70,497)	---	(70,497)
Advances to Other Funds	13,105	---	13,105
Prepaid Items	---	1,723	1,723
Accounts Payable	74,094	(31,053)	43,041
Accrued Wages and Compensated Absences	13,447	3,106	16,553
Contracts and Retainers Payable	---	4,582	4,582
Post Employment Benefit Obligation	---	1,225,850	1,225,850
Estimated Liability for Damage Claims	---	2,617,834	2,617,834
Total Adjustments	3,064,043	3,878,913	6,942,956
Net Cash Provided by Operating Activities	\$ 1,830,914	\$ 158,028	\$ 1,988,942

CITY OF SIOUX CITY, IOWA
COMBINING FINANCIAL STATEMENTS
FIDUCIARY FUNDS

Agency Funds - Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The following represents the funds and/or government agencies for which the City acts in an agent capacity.

Sioux City Housing Trust – To account for the activity of the Sioux City Housing Trust Fund.

Revolving - To account for refunds to City customers.

Woodbury County Information Communication Commission (WCICC) - To account for the activity of the WCICC.

Museum Building Property, Inc. – To account for the activity of Museum Building Property, Inc.

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	Sioux City Housing Trust Fund	Revolving	Woodbury County Information Communication Commission
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 43,294	\$ 84,536	\$ 116,323
Accounts Receivable	---	9,641	28,975
Due from Other Governments	<u>---</u>	<u>---</u>	<u>114,184</u>
Total Assets	<u>43,294</u>	<u>94,177</u>	<u>259,482</u>
<u>LIABILITIES</u>			
Accounts Payable	14,623	94,177	---
Due to Other Governments	<u>28,671</u>	<u>---</u>	<u>259,482</u>
Total Liabilities	<u>43,294</u>	<u>94,177</u>	<u>259,482</u>
Total Net Assets	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

<u>Museum Building Property Inc.</u>	<u>Totals</u>
\$ 108,405	\$ 352,558
	38,616
	<u>114,184</u>
<u>108,405</u>	<u>505,358</u>
	108,800
<u>108,405</u>	<u>396,558</u>
<u>108,405</u>	<u>505,358</u>
<u>\$</u>	<u>\$</u>

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

EXHIBIT D-2

SIOUX CITY HOUSING TRUST FUND	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 2,842	\$ 215,618	\$ 175,166	\$ 43,294
Total Assets	<u>2,842</u>	<u>215,618</u>	<u>175,166</u>	<u>43,294</u>
<u>LIABILITIES</u>				
Accounts Payable	15,563	14,623	15,563	14,623
Due to Other Governments	<u>(12,721)</u>	<u>200,995</u>	<u>159,603</u>	<u>28,671</u>
Total Liabilities	<u>\$ 2,842</u>	<u>\$ 215,618</u>	<u>\$ 175,166</u>	<u>\$ 43,294</u>

REVOLVING

<u>ASSETS</u>				
Cash and Cash Equivalents	\$ ---	\$ 1,281,528	\$ 1,196,992	\$ 84,536
Accounts Receivable	<u>38,696</u>	<u>1,024,754</u>	<u>1,053,809</u>	<u>9,641</u>
Total Assets	<u>38,696</u>	<u>2,306,282</u>	<u>2,250,801</u>	<u>94,177</u>
<u>LIABILITIES</u>				
Accounts Payable	<u>38,696</u>	<u>2,306,282</u>	<u>2,250,801</u>	<u>94,177</u>
Total Liabilities	<u>\$ 38,696</u>	<u>\$ 2,306,282</u>	<u>\$ 2,250,801</u>	<u>\$ 94,177</u>

**WOODBURY COUNTY INFORMATION
COMMUNICATION COMMISSION
(WCICC)**

<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 789,695	\$ 3,788,610	\$ 4,461,982	\$ 116,323
Accounts Receivable	10,139	1,459,881	1,441,045	28,975
Due from Other Governments	<u>---</u>	<u>114,184</u>	<u>---</u>	<u>114,184</u>
Total Assets	<u>799,834</u>	<u>5,362,675</u>	<u>5,903,027</u>	<u>259,482</u>
<u>LIABILITIES</u>				
Due to Other Governments	<u>799,834</u>	<u>5,362,675</u>	<u>5,903,027</u>	<u>259,482</u>
Total Liabilities	<u>\$ 799,834</u>	<u>\$ 5,362,675</u>	<u>\$ 5,903,027</u>	<u>\$ 259,482</u>

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

EXHIBIT D-2
(Continued)

MUSEUM BUILDING PROPERTY INC.	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 50,370	\$ 408,014	\$ 349,979	\$ 108,405
Total Assets	<u>50,370</u>	<u>408,014</u>	<u>349,979</u>	<u>108,405</u>
<u>LIABILITIES</u>				
Due to Other Governments	50,370	408,014	349,979	108,405
Total Liabilities	<u>\$ 50,370</u>	<u>\$ 408,014</u>	<u>\$ 349,979</u>	<u>\$ 108,405</u>
 TOTAL - ALL AGENCY FUNDS				
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 842,907	\$ 5,693,770	\$ 6,184,119	\$ 352,558
Accounts Receivable	48,835	2,484,635	2,494,854	38,616
Due from Other Governments	---	114,184	---	114,184
Total Assets	<u>891,742</u>	<u>8,292,589</u>	<u>8,678,973</u>	<u>505,358</u>
<u>LIABILITIES</u>				
Accounts Payable	54,259	2,320,905	2,266,364	108,800
Due to Other Governments	837,483	5,971,684	6,412,609	396,558
Total Liabilities	<u>\$ 891,742</u>	<u>\$ 8,292,589</u>	<u>\$ 8,678,973</u>	<u>\$ 505,358</u>

SIOUXTM
**CITY**

CITY OF SIOUX CITY, IOWA
STATISTICAL SECTION

CITY OF SIOUX CITY, IOWA

STATISTICAL SECTION

(Unaudited)

This part of the City of Sioux City's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures and supplementary information. This information has not been audited by the independent auditor.

Contents

Table

Financial Trends

These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.

I -V

Revenue Capacity

These tables contain information that may assist the reader in assessing the City's most significant local revenue source, the property tax.

VI-X

Debt Capacity

These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

XI-XV

Economic & Demographic Information

These tables offer economic and demographic indicators to assist the reader in understanding the environment within which the government's financial activities take place.

XVI-XVII

Operating Information

These tables contain service and infrastructure indicators that can inform one's understanding how the information in the City's financial statements relates to the services the City provides and the activities it performs.

XVIII-XX

Source:

Unless otherwise noted, the information in these tables is derived from the annual financial report for the relevant year.

CITY OF SIOUX CITY, IOWA
GOVERNMENT-WIDE NET ASSETS BY COMPONENT¹
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR			
	2003	2004	2005	2006
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 132,205,841	\$ 165,606,928	\$ 163,066,644	\$ 178,531,068
Restricted for:				
Capital Improvements	---	10,666,980	18,095,819	15,772,571
Debt Service	3,802,491	4,924,215	2,411,720	1,438,126
Road Use	---	---	---	---
Other Employee Benefits	---	---	---	---
Community Programs & Services	---	---	---	---
Other Purposes	---	---	---	---
Endowment, non-expendable	660,395	724,772	782,515	838,105
Unrestricted	47,747,865	29,559,632	52,580,385	56,134,972
Total Governmental Activities Net Assets	<u>184,416,592</u>	<u>211,482,527</u>	<u>236,937,083</u>	<u>252,714,842</u>
 Business-Type Activities				
Invested in Capital Assets, Net of Related Debt	60,353,358	56,065,900	57,908,190	59,757,382
Restricted for:				
Debt Service	---	---	---	---
Unrestricted	9,184,436	14,102,161	14,725,602	21,081,482
Total Business-Type Activities Net Assets	<u>69,537,794</u>	<u>70,168,061</u>	<u>72,633,792</u>	<u>80,838,864</u>
 Primary Government				
Invested in Capital Assets, Net of Related Debt	192,559,199	221,672,828	220,974,834	238,288,450
Restricted for:				
Capital Improvements ²	---	10,666,980	18,095,819	15,772,571
Debt Service	3,802,491	4,924,215	2,411,720	1,438,126
Road Use	---	---	---	---
Other Employee Benefits	---	---	---	---
Community Programs & Services	---	---	---	---
Other Purposes	---	---	---	---
Endowment, non-expendable	660,395	724,772	782,515	838,105
Unrestricted	56,932,301	43,661,793	67,305,987	77,216,454
Total Primary Government Net Assets	<u>\$ 253,954,386</u>	<u>\$ 281,650,588</u>	<u>\$ 309,570,875</u>	<u>\$ 333,553,706</u>

Notes:

¹ Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted only when (1) an external party, such as the State of Iowa or the Federal Government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the City.

² In fiscal year 2003, the entire Capital Improvements fund balance was encumbered, primarily for the Events Center project.

TABLE I

2007	2008	2009	2010	2011	2012
\$ 202,244,071	\$ 201,725,694	\$ 215,118,921	\$ 227,946,599	\$ 240,923,862	\$ 259,727,010
15,827,272	17,324,318	4,854,761	19,204,876	45,429,483	39,237,581
1,438,831	3,203,515	4,889,636	8,262,859	9,984,352	10,954,271
---	---	---	---	316,770	391,564
---	---	---	---	234,952	151,928
---	---	---	---	11,223,309	10,180,086
---	---	---	---	41,801	41,688
927,910	971,321	980,767	1,001,069	1,019,455	1,058,731
48,896,046	46,553,214	41,580,680	29,719,252	(8,425,953)	(12,342,248)
<u>269,334,130</u>	<u>269,778,062</u>	<u>267,424,765</u>	<u>286,134,655</u>	<u>300,748,031</u>	<u>309,400,611</u>
70,041,912	81,233,654	89,062,832	97,806,290	111,463,154	106,357,863
496,000	486,158	---	---	---	---
21,021,615	13,286,975	15,063,269	16,550,721	16,507,829	29,267,015
<u>91,559,527</u>	<u>95,006,787</u>	<u>104,126,101</u>	<u>114,357,011</u>	<u>127,970,983</u>	<u>135,624,878</u>
272,285,983	282,959,348	304,181,753	325,752,889	352,387,016	366,084,873
15,827,272	17,324,318	4,854,761	19,204,876	45,429,483	39,237,581
1,934,831	3,689,673	4,889,636	8,262,859	9,984,352	10,954,271
---	---	---	---	316,770	391,564
---	---	---	---	234,952	151,928
---	---	---	---	11,223,309	10,180,086
---	---	---	---	41,801	41,688
927,910	971,321	980,767	1,001,069	1,019,455	1,058,731
69,917,661	59,840,189	56,643,949	46,269,973	8,081,876	16,924,767
<u>\$ 360,893,657</u>	<u>\$ 364,784,849</u>	<u>\$ 371,550,866</u>	<u>\$ 400,491,666</u>	<u>\$ 428,719,014</u>	<u>\$ 445,025,489</u>

**CITY OF SIOUX CITY, IOWA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR			
	2003	2004	2005	2006
Expenses				
Governmental Activities:				
Public Safety	\$ 24,129,343	\$ 24,901,874	\$ 27,628,436	\$ 27,117,017
Public Works	10,960,350	11,000,039	11,028,031	13,640,878
Culture and Recreation	11,183,008	12,183,759	13,550,054	14,727,651
Community and Economic Development	11,017,771	10,680,718	8,402,228	10,965,458
General Government	15,803,180	650,274	5,257,329	5,791,061
Investment in Joint Venture	---	---	---	---
Debt Service ¹	---	---	5,678,533	5,992,311
Capital Projects ²	4,216,065	8,668,744	2,874,889	8,948,563
Interest Expense ¹	5,523,373	5,334,401	---	---
Unallocated Depreciation Expense	6,305,406	6,718,649	4,289,476	---
Total Governmental Activities Expenses	<u>89,138,496</u>	<u>80,138,458</u>	<u>78,708,976</u>	<u>87,182,939</u>
Business-Type Activities:				
Airport	3,783,809	3,547,215	3,541,192	4,825,894
Water	10,446,242	11,693,816	9,451,225	7,465,007
Sewer	8,987,353	10,229,066	10,105,125	11,414,499
Solid Waste	3,158,508	3,642,375	4,876,127	3,980,655
Parking	1,269,823	1,272,388	1,152,837	1,220,276
Skyway System	290,645	343,430	300,431	254,683
Total Business-Type Activities Expenses	<u>27,936,380</u>	<u>30,728,290</u>	<u>29,426,937</u>	<u>29,161,014</u>
Total Primary Government Expenses	<u>117,074,876</u>	<u>110,866,748</u>	<u>108,135,913</u>	<u>116,343,953</u>
Program Revenues¹				
Governmental Activities:				
Charges for Services:				
Public Safety	1,797,850	306,263	288,873	280,292
Public Works	1,832,618	3,006,966	3,153,921	3,384,769
Culture and Recreation	938,765	1,123,362	4,502,333	4,547,640
Community and Economic Development	1,968,650	738,406	856,813	871,956
General Government	16,484,226	4,578,523	6,606,159	3,445,465
Capital Projects	---	---	24,493	22,597
Operating Grants and Contributions	21,167,457	20,833,159	20,615,010	20,355,850
Capital Grants and Contributions	15,670,270	15,935,106	5,545,934	9,081,256
Special Assessments	338,882	---	---	---
Total Governmental Activities Program Revenues	<u>\$ 60,198,718</u>	<u>\$ 46,521,785</u>	<u>\$ 41,593,536</u>	<u>\$ 41,989,825</u>

Notes:

¹ In 2005, interest expense was reclassified to debt service.

² In fiscal year 2008, capital projects began to be allocated to their respective program functions.

TABLE II

2007	2008	2009	2010	2011	2012
\$ 28,854,253	\$ 30,260,933	\$ 31,565,111	\$ 32,815,671	\$ 33,066,562	\$ 35,153,307
15,506,549	19,638,707	17,695,921	18,703,073	18,462,437	18,146,262
16,080,955	17,340,040	18,427,540	18,748,901	18,629,284	19,105,473
10,787,387	25,630,391	10,847,635	14,585,952	13,195,482	14,093,979
10,471,162	13,073,878	12,097,651	11,884,328	10,164,915	10,023,938
---	---	---	---	---	297,372
5,980,529	6,490,067	6,309,941	5,908,003	6,008,221	5,784,156
1,203,328	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
88,884,163	112,434,016	96,943,799	102,645,928	99,526,901	102,604,487
3,614,198	3,613,044	3,624,184	3,683,947	4,083,451	4,489,545
7,594,727	8,878,234	9,046,687	9,462,914	10,354,948	11,690,391
11,306,475	12,815,794	12,493,265	13,573,929	14,488,052	13,213,218
4,108,577	4,721,183	4,242,223	4,469,177	4,630,860	4,758,852
1,475,538	1,425,352	1,671,573	1,412,106	1,549,100	1,570,589
322,577	303,892	318,624	378,203	312,635	382,081
28,422,092	31,757,499	31,396,556	32,980,276	35,419,046	36,104,676
117,306,255	144,191,515	128,340,355	135,626,204	134,945,947	138,709,163
283,845	351,518	1,034,208	1,051,542	1,224,249	1,080,541
3,670,886	3,911,984	4,245,184	4,257,041	4,462,029	4,680,854
4,855,063	5,251,614	5,295,764	5,898,699	6,131,602	6,042,193
891,801	1,030,980	212,204	208,647	209,815	206,055
2,695,053	9,436,829	5,356,830	6,377,269	7,387,758	4,168,644
---	---	---	---	---	---
19,595,863	19,163,094	18,059,563	20,164,596	21,909,868	21,777,329
6,656,241	4,714,416	6,050,466	15,344,878	8,711,966	8,856,243
---	---	---	---	---	---
\$ 38,648,752	\$ 43,860,435	\$ 40,254,219	\$ 53,302,672	\$ 50,037,287	\$ 46,811,859

**CITY OF SIOUX CITY, IOWA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR			
	2003	2004	2005	2006
Business-Type Activities:				
Charges for Services:				
Airport	\$ 2,350,085	\$ 1,548,766	\$ 1,556,390	\$ 1,591,496
Water	7,380,118	7,742,305	8,458,775	9,842,528
Sewer	10,776,672	10,807,909	10,881,489	10,735,055
Solid Waste	3,538,028	4,262,988	4,357,118	4,397,189
Parking	1,226,075	1,176,276	1,067,911	1,069,120
Skyway System	290,645	343,430	300,431	254,683
Operating Grants and Contributions	1,490,965	503,502	3,725,102	2,813,675
Capital Grants and Contributions	---	---	---	---
Total Business-Type Activities Program Revenues	27,052,588	26,385,176	30,347,216	30,703,746
Total Primary Government Program Revenues	87,251,306	72,906,961	71,940,752	72,693,571
Net (Expense)/Revenue¹				
Governmental Activities	(28,939,778)	(33,616,673)	(37,115,440)	(45,193,114)
Business-Type Activities	(883,792)	(4,343,114)	920,279	1,542,732
Total Primary Government Net Expense	(29,823,570)	(37,959,787)	(36,195,161)	(43,650,382)
General Revenues				
Governmental Activities:				
Property Taxes	39,851,751	41,059,605	44,032,023	44,670,160
Franchise Taxes	2,553,597	2,220,948	2,819,425	2,609,122
Hotel-Motel Taxes	693,391	781,039	819,901	890,533
Local Option Sales Taxes	8,707,139	8,854,807	9,039,490	9,116,344
Interest	1,093,276	768,608	1,631,250	3,691,733
Revenue from the Use of Property	2,964,164	3,564,962	---	---
Revenue from Sale of Uncapitalized Property	---	---	185,424	715,093
Miscellaneous	2,107,173	2,895,044	2,720,836	2,503,184
Net Gain on Sale of Capital Assets	---	---	460,091	44,155
Extraordinary Items	---	---	---	---
Transfers	(201,048)	157,595	383,333	(3,269,450)
Total Governmental Activities	57,769,443	60,302,608	62,091,773	60,970,874
Business-Type Activities:				
Interest	264,882	295,742	438,552	825,506
Revenue from the Sale of Uncapitalized Property	116,085	75,465	---	433,482
Miscellaneous	2,292	4,046,313	225,128	2,126,499
Net Gain on Sale of Capital Assets	---	---	1,265,105	7,403
Transfers	201,048	(157,595)	(383,333)	3,269,450
Total Business-Type Activities	584,307	4,259,925	1,545,452	6,662,340
Total Primary Government	58,353,750	64,562,533	63,637,225	67,633,214
Change in Net Assets				
Governmental Activities	28,829,665	26,685,935	24,976,333	15,777,760
Business-Type Activities	(299,485)	(83,189)	2,465,731	8,205,072
Total Primary Government	\$ 28,530,180	\$ 26,602,746	\$ 27,442,064	\$ 23,982,832

Notes:

¹ Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues.

TABLE II
(Continued)

2007	2008	2009	2010	2011	2012
\$ 1,407,558	\$ 1,707,199	\$ 1,582,967	\$ 1,559,765	\$ 1,568,331	\$ 1,664,593
10,590,423	10,308,555	10,990,717	11,365,825	11,834,682	14,029,681
11,848,359	14,206,172	16,372,370	17,370,461	17,127,635	19,171,819
4,911,254	4,754,467	4,631,072	4,607,291	4,473,164	4,584,655
1,004,738	1,158,055	1,219,013	1,261,195	1,294,498	1,423,385
322,577	303,892	318,624	378,203	312,635	449,611
3,940,017	1,062,111	2,329,283	131,069	598,268	435,479
---	---	---	5,454,015	9,067,435	941,572
34,024,926	33,500,451	37,444,046	42,127,824	46,276,648	42,700,795
72,673,678	77,360,886	77,698,265	95,430,496	96,313,935	89,512,654
(50,235,411)	(68,573,581)	(56,689,580)	(49,343,256)	(49,489,614)	(55,792,628)
5,602,834	1,742,952	6,047,490	9,147,548	10,857,602	6,596,119
(44,632,577)	(66,830,629)	(50,642,090)	(40,195,708)	(38,632,012)	(49,196,509)
45,743,901	47,592,848	50,788,744	50,213,734	48,720,069	47,856,978
2,810,233	2,793,497	2,586,811	2,426,557	2,363,862	2,174,884
873,749	951,260	1,061,104	1,098,913	1,245,787	1,263,522
10,876,276	10,521,527	10,992,806	11,132,267	11,138,684	11,147,414
3,959,731	3,296,165	1,457,756	1,070,516	669,439	588,020
---	---	---	---	---	---
859,249	230,112	539,534	644,883	694,982	376,449
2,110,285	2,355,707	1,751,700	2,002,806	1,541,054	1,467,847
180,088	2,035,150	87,064	---	9,165	90,008
---	---	(14,034,170)	---	---	---
(558,814)	(758,753)	(895,066)	(536,530)	(2,280,052)	(519,914)
66,854,698	69,017,513	54,336,283	68,053,146	64,102,990	64,445,208
1,198,245	735,839	497,295	299,164	360,359	387,506
---	---	---	---	---	---
484,370	250,220	1,670,839	247,668	114,930	150,356
3,128	65,356	8,624	---	1,029	---
558,814	758,753	895,066	536,530	2,280,052	519,914
2,244,557	1,810,168	3,071,824	1,083,362	2,756,370	1,057,776
69,099,255	70,827,681	57,408,107	69,136,508	66,859,360	65,502,984
16,619,287	443,932	(2,353,297)	18,709,890	14,613,376	8,652,580
7,847,391	3,553,120	9,119,314	10,230,910	13,613,972	7,653,895
\$ 24,466,678	\$ 3,997,052	\$ 6,766,017	\$ 28,940,800	\$ 28,227,348	\$ 16,306,475

**CITY OF SIOUX CITY
TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

TABLE III

FISCAL YEAR	GENERAL PROPERTY TAXES¹	LOCAL OPTION SALES TAXES	BANK FRANCHISE TAXES²	UTILITY FRANCHISE TAXES³	CABLE TV FRANCHISE TAX	HOTEL- MOTEL TAXES	TOTAL TAXES
2003	\$ 39,842,558	\$ 8,484,774	\$ 109,028	\$ 2,101,499	\$ 343,070	\$ 693,391	\$ 51,574,320
2004	41,062,196	8,881,668	118,143	1,751,309	351,497	781,039	52,945,852
2005	44,015,693	9,181,382	83,659	2,390,727	345,038	819,901	56,836,400
2006	44,497,164	8,927,742	---	2,259,183	349,939	890,533	56,924,561
2007	45,743,901	10,876,276	---	2,432,504	377,729	873,749	60,304,159
2008	47,592,848	10,521,527	---	2,423,628	369,869	951,260	61,859,132
2009	50,788,744	10,992,806	---	2,140,738	446,073	1,061,104	65,429,465
2010	50,213,734	11,132,267	---	1,965,206	461,351	1,098,913	64,871,471
2011	48,720,069	11,138,684	---	1,923,225	440,637	1,245,787	63,468,402
2012	\$ 47,856,978	\$ 11,147,414	\$ ---	\$ 1,752,345	\$ 422,539	\$ 1,263,522	\$ 62,442,798
Percentage Change							
In Dollars Over							
10 Years	20.12%	31.38%	-100.00%	-16.61%	23.16%	82.22%	21.07%

Notes:

¹ In fiscal year 2003, the City property tax levy increased from 14.40683 to 16.00121.

² Bank franchise taxes were implemented for ten years and were completed during fiscal year 2005.

³ In fiscal years 2003 and 2005, utility franchise taxes increased due to increases in City-wide utility sales by the City's utility provider, MidAmerican Energy.

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CITY OF SIOUX CITY, IOWA
FUND BALANCES OF GOVERNMENTAL FUNDS³
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR			
	2003	2004	2005	2006
General Fund				
Reserved ¹	\$ 235,828	\$ 330,372	\$ 465,774	\$ 333,970
Non-Spendable	---	---	---	---
Committed	---	---	---	---
Unreserved	4,734,750	4,687,269	5,716,529	6,425,351
Unassigned	---	---	---	---
Total General Fund	<u>4,970,578</u>	<u>5,017,641</u>	<u>6,182,303</u>	<u>6,759,321</u>
All Other Governmental Funds				
Reserved ¹	44,168,957	35,698,820	57,733,852	55,314,255
Non-Spendable	---	---	---	---
Restricted	---	---	---	---
Committed	---	---	---	---
Unreserved	4,681,193	4,721,544	5,368,184	7,542,829
Assigned	---	---	---	---
Unassigned	---	---	---	---
Total All Other Governmental Funds ²	<u>48,850,150</u>	<u>40,420,364</u>	<u>63,102,036</u>	<u>62,857,084</u>
Total Governmental Funds				
Reserved	44,404,785	36,029,192	58,199,626	55,648,225
Non-Spendable	---	---	---	---
Restricted	---	---	---	---
Committed	---	---	---	---
Unreserved	9,415,943	9,408,813	11,084,713	13,968,180
Assigned	---	---	---	---
Unassigned	---	---	---	---
Total Governmental Funds	<u>\$ 53,820,728</u>	<u>\$ 45,438,005</u>	<u>\$ 69,284,339</u>	<u>\$ 69,616,405</u>

Notes:

¹ The fluctuations in the General Fund reserved fund balance are due to the encumbrances at year-end.

² The fluctuations in the fund balance result from construction projects in which funds are borrowed in one year and spent in another fiscal year.

³ The Governmental Accounting Standards Board (GASB) issued Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in February 2009, which changed the requirements for fund balance classifications and reporting. The City implemented this standard for fiscal year 2010.

TABLE IV

2007	2008	2009	2010	2011	2012
\$ 330,765	\$ 368,976	\$ 574,335	\$ ---	\$ ---	\$ ---
---	---	---	22,000	314,972	13,578
---	---	---	446,436	418,019	479,418
7,226,338	7,696,996	7,578,177	---	---	---
---	---	---	7,737,493	7,559,420	7,868,807
<u>7,557,103</u>	<u>8,065,972</u>	<u>8,152,512</u>	<u>8,205,929</u>	<u>8,292,411</u>	<u>8,361,803</u>
51,112,529	54,238,966	56,777,930	---	---	---
---	---	---	18,282,888	10,880,323	1,653,675
---	---	---	10,330,941	56,094,282	58,674,582
---	---	---	18,833,986	956,895	594,137
9,534,586	8,825,958	6,656,344	---	---	---
---	---	---	23,372,058	2,209,013	2,379,614
---	---	---	(2,082,783)	(1,324,552)	(1,211,015)
<u>60,647,115</u>	<u>63,064,924</u>	<u>63,434,274</u>	<u>68,737,090</u>	<u>68,815,961</u>	<u>62,090,993</u>
51,443,294	54,607,942	57,352,265	---	---	---
---	---	---	18,304,888	11,195,295	1,667,253
---	---	---	10,330,941	56,094,282	58,674,582
---	---	---	19,280,422	1,374,914	1,073,555
16,760,924	16,522,954	14,234,521	---	---	---
---	---	---	23,372,058	2,209,013	2,379,614
---	---	---	5,654,710	6,234,868	6,657,792
<u>\$ 68,204,218</u>	<u>\$ 71,130,896</u>	<u>\$ 71,586,786</u>	<u>\$ 76,943,019</u>	<u>\$ 77,108,372</u>	<u>\$ 70,452,796</u>

CITY OF SIOUX CITY, IOWA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR			
	2003	2004	2005	2006
Revenues				
Taxes	\$ 51,706,623	\$ 52,998,921	\$ 56,614,493	\$ 57,223,300
Special Assessments	440,633	226,404	301,359	297,536
Regulatory Fees	1,250,875	1,237,582	1,328,107	1,174,657
Intergovernmental Revenue	36,642,152	36,359,020	25,599,234	26,989,896
Revenue from the Use of Property	3,041,082	3,482,104	4,462,980	4,431,425
Charges for Services	6,279,171	6,511,977	7,079,903	7,067,902
Interest	1,093,276	763,379	1,569,427	3,560,311
Contributions	195,575	267,001	260,806	2,410,834
Miscellaneous	1,991,930	2,601,848	2,366,864	2,178,484
Total Revenues	<u>102,641,317</u>	<u>104,448,236</u>	<u>99,583,173</u>	<u>105,334,345</u>
Expenditures¹				
Public Safety	24,262,437	24,921,335	27,162,912	27,135,419
Public Works	11,004,008	10,918,769	10,932,711	11,985,865
Culture and Recreation	11,132,692	12,210,191	13,153,004	13,233,666
Community and Economic Development	11,011,474	10,654,583	9,142,019	11,279,598
General Government	3,073,574	3,071,353	3,395,797	2,891,590
Debt Service				
Principal	10,682,841	11,536,556	13,783,047	16,829,547
Interest and Fiscal Charges	5,684,742	5,479,590	5,787,508	6,009,331
Capital Projects	46,244,027	45,529,590	9,193,970	28,442,887
Total Expenditures	<u>123,095,795</u>	<u>124,321,967</u>	<u>92,550,968</u>	<u>117,807,903</u>
Excess (Deficiency) of Revenues over Expenditures	(20,454,478)	(19,873,731)	7,032,205	(12,473,558)
Other Financing Sources (Uses)				
Proceeds from Issuance of Bonds and Notes	26,889,906	11,867,975	18,945,000	16,562,021
Proceeds from Refunding Bonds Issued	4,455,675	2,548,000	3,468,000	---
Payment to Refunded Bond Escrow Agent	(4,446,245)	(2,528,000)	(3,448,000)	---
Premiums on Bonds Issued	43,002	42,356	62,229	25,137
Discounts on Bonds Issued	(105,094)	(10,763)	(69,280)	(29,993)
Sale of Uncapitalized Property	---	---	---	---
Sale of Capitalized Property	---	---	---	---
Transfers In	31,433,852	27,915,915	35,383,804	37,227,859
Transfers Out	(31,913,662)	(28,724,475)	(37,672,513)	(40,979,400)
Total Other Financing Sources	<u>26,357,434</u>	<u>11,111,008</u>	<u>16,669,240</u>	<u>12,805,624</u>
Net Change in Fund Balances	<u>\$ 5,902,956</u>	<u>\$ (8,762,723)</u>	<u>\$ 23,701,445</u>	<u>\$ 332,066</u>
Debt Service as a percentage of non-capital expenditures	18.23%	18.55%	21.74%	23.44%

Note:

¹ The State of Iowa program levels changed in 2003.

TABLE V

2007	2008	2009	2010	2011	2012
\$ 60,501,050	\$ 61,867,015	\$ 65,343,777	\$ 64,952,946	\$ 63,424,277	\$ 62,436,249
251,812	260,969	180,335	220,916	427,836	206,362
1,253,658	1,347,989	1,318,657	1,809,309	2,798,758	3,933,570
26,156,355	23,773,756	23,609,689	33,242,384	27,458,471	29,624,144
4,254,653	4,173,576	4,319,645	5,133,199	5,363,839	4,884,517
7,817,733	7,833,868	8,095,902	8,124,607	8,506,318	9,026,606
3,797,191	3,151,839	1,390,580	1,048,889	645,339	561,595
247,534	257,645	220,392	2,006,582	2,970,138	681,232
1,978,346	1,918,522	1,622,361	1,096,745	1,008,826	957,905
106,258,332	104,585,179	106,101,338	117,635,577	112,603,802	112,312,180
27,927,945	28,364,591	30,633,912	32,033,725	32,704,574	33,480,041
13,199,362	13,791,226	13,857,068	14,409,099	14,426,940	14,549,841
13,612,396	14,711,438	15,830,037	15,591,587	16,021,673	16,057,731
10,719,564	10,836,744	9,150,589	10,325,583	10,323,564	9,641,691
2,821,790	3,234,848	2,756,647	3,574,549	3,558,628	3,477,530
17,531,767	15,880,284	16,477,867	14,997,906	15,845,275	16,427,630
6,004,815	6,507,761	6,971,753	6,047,885	6,142,542	6,020,730
23,638,330	34,288,621	25,298,862	34,037,802	31,445,093	31,835,793
115,455,969	127,615,513	120,976,735	131,018,136	130,468,289	131,490,987
(9,197,637)	(23,030,334)	(14,875,397)	(13,382,559)	(17,864,487)	(19,178,807)
8,688,000	24,579,000	16,239,718	18,837,640	20,745,486	13,050,826
---	11,710,323	6,768,104	4,580,000	---	---
---	(11,840,323)	(6,703,104)	(4,725,000)	---	---
94,586	414,731	370,275	672,987	544,257	173,017
---	---	(35,229)	(12,480)	---	(27,517)
---	---	263,314	39,508	77,145	12,401
---	2,280,333	6,062	62,667	---	---
39,003,460	45,028,357	38,607,508	30,327,098	35,811,281	32,079,660
(40,000,596)	(46,215,409)	(40,185,361)	(31,043,628)	(39,148,329)	(32,765,156)
7,785,450	25,957,012	15,331,287	18,738,792	18,029,840	12,523,231
\$ (1,412,187)	\$ 2,926,678	\$ 455,890	\$ 5,356,233	\$ 165,353	\$ (6,655,576)
25.44%	20.60%	23.71%	20.36%	21.40%	21.33%

CITY OF SIOUX CITY, IOWA
ASSESSED AND TAXABLE VALUE OF TAXABLE PROPERTY¹
LAST TEN FISCAL YEARS

FISCAL YEAR	REAL PROPERTY		UTILITIES	
	ASSESSED VALUE	TAXABLE VALUE ²	ASSESSED VALUE	TAXABLE VALUE
2003	\$ 2,944,880,846	\$ 1,665,576,989	\$ 129,163,982	\$ 129,163,982
2004	2,978,740,856	1,739,587,340	131,714,015	131,714,015
2005	3,032,174,354	1,734,566,855	131,744,261	131,744,261
2006	3,099,265,840	1,786,220,561	124,848,499	124,848,499
2007	3,280,496,069	1,831,228,796	123,180,706	123,180,706
2008	3,330,737,211	1,855,056,995	119,580,684	119,580,684
2009	3,465,673,736	1,880,122,184	123,186,151	123,186,151
2010	3,514,390,581	1,930,302,271	125,743,849	125,743,849
2011	3,589,308,247	2,020,074,529	116,440,894	116,440,894
2012	\$ 3,614,201,445	\$ 2,080,082,950	\$ 122,683,826	\$ 122,683,826

Source: Woodbury County, Iowa; County Auditor

Notes:

¹ Taxable Value does not include the Tax Increment Levy.

² Taxable value = (percent rollback x assessed value) - exemptions (military, homestead, elderly, etc.)

TABLE VI

TOTAL		TOTAL DIRECT TAX RATE		TOTAL TAXABLE VALUE TO TOTAL ASSESSED VALUE
ASSESSED VALUE	TAXABLE VALUE			
\$ 3,074,044,828	\$ 1,794,740,971	\$ 16.001		58%
3,110,454,871	1,871,301,355	16.433		60%
3,163,918,615	1,866,311,116	17.787		59%
3,224,114,339	1,911,069,060	17.971		59%
3,403,676,775	1,954,409,502	18.255		57%
3,450,317,895	1,974,637,679	18.473		57%
3,588,859,887	2,003,308,335	18.712		56%
3,640,134,430	2,056,046,120	17.851		56%
3,705,749,141	2,136,515,423	17.301		58%
\$ 3,736,885,271	\$ 2,202,766,776	\$ 16.657		59%

CITY OF SIOUX CITY, IOWA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS
TAX RATES

FISCAL YEAR	CITY OF SIOUX CITY					OVERLAPPING RATES						
	GENERAL		SPECIAL REVENUE		DEBT SERVICE	TOTAL DIRECT	SCHOOL DISTRICT		COUNTY			
2003	\$	8.600	\$	5.581	\$	1.820	\$	16.001	\$	15.770	\$	6.820
2004		8.600		6.573		1.260		16.433		16.151		7.109
2005		8.430		8.187		1.170		17.787		17.016		7.660
2006		8.490		8.831		0.650		17.971		17.500		7.691
2007		8.430		8.295		1.530		18.255		16.768		7.778
2008		8.490		8.693		1.290		18.473		17.519		8.004
2009		8.721		8.534		1.457		18.712		17.762		7.952
2010		8.682		5.011		4.158		17.851		17.610		7.933
2011		8.471		4.763		4.067		17.301		17.755		7.985
2012	\$	8.411	\$	4.462	\$	3.784	\$	16.657	\$	17.116	\$	7.738

Source: Woodbury County, Iowa; County Auditor

TABLE VII

OVERLAPPING RATES						TOTAL DIRECT AND OVERLAPPING	
WESTERN IOWA TECH	CITY ASSESSOR	AG EXTENSION	SPECIAL STATE	TOTAL OVERLAPPING			
\$ 0.944	\$ 0.620	\$ 0.054	\$ 0.004	\$ 24.212	\$	40.213	
0.541	0.582	0.053	0.004	24.440		40.873	
0.572	0.431	0.054	0.004	25.737		43.524	
0.699	0.426	0.054	0.004	26.374		44.345	
0.703	0.487	0.051	0.004	25.791		44.046	
0.736	0.485	0.125	0.004	26.873		45.346	
0.828	0.485	0.131	0.004	27.162		45.874	
0.821	0.492	0.133	0.003	26.992		44.843	
0.818	0.442	0.129	0.003	27.132		44.433	
\$ 0.779	\$ 0.429	\$ 0.125	\$ 0.003	\$ 26.189	\$	42.846	

**CITY OF SIOUX CITY, IOWA
PRINCIPAL TAXPAYERS AND THEIR ASSESSED VALUATIONS
JUNE 30, 2012**

TABLE VIII

TAXPAYER	2012			2003		
	ASSESSED ² VALUE	RANK	% OF TOTAL ASSESSED VALUE	ASSESSED ³ VALUE	RANK	% OF TOTAL ASSESSED VALUE
SOUTHERN HILLS MALL	\$ 62,914,700	1	1.684%	\$ 67,893,300	2	2.209%
LAKEPORT COMMONS	34,668,800	2	0.928%	---	---	0.000%
WAL-MART	26,738,000	3	0.716%	---	---	0.000%
KLINGER	22,491,600	4	0.602%	27,239,900	4	0.886%
DAVIES IOWA LOGISTICS	14,733,400	5	0.394%	---	---	0.000%
HANDY LC	12,035,000	6	0.322%	13,048,900	10	0.424%
LOWE'S	11,670,600	7	0.312%	---	---	0.000%
TARGET	11,539,000	8	0.309%	---	---	0.000%
SCI SIOUX CITY	11,311,100	9	0.303%	---	---	0.000%
MENARD	11,131,900	10	0.298%	---	---	0.000%
MIDAMERICAN ENERGY ¹	---	---	0.000%	129,163,547	1	4.202%
ST. LUKE'S MEDICAL	---	---	0.000%	47,292,600	3	1.538%
CLOVERLEAF COLD STORAGE	---	---	0.000%	25,539,400	5	0.831%
LARRY BOOK	---	---	0.000%	21,690,100	6	0.706%
DAVENPORT ET AL	---	---	0.000%	18,911,500	7	0.615%
HOLTZ CONSTRUCTION	---	---	0.000%	15,060,000	8	0.490%
QWEST	---	---	0.000%	14,009,804	9	0.456%
TOTAL PRINCIPAL TAXPAYERS	\$ 219,234,100		5.867%	\$ 379,849,051		12.357%
ALL OTHER TAXPAYERS	3,517,651,171		94.133%	2,694,195,777		87.643%
TOTAL ASSESSED VALUATION	\$ 3,736,885,271		100.000%	\$ 3,074,044,828		100.000%

Source: City Assessor, Sioux City, Iowa

Note:

¹ The change in rank of MidAmerican Energy over ten years reflects the change in valuation of utilities.

² Assessed values as of January 1, 2010.

³ Assessed values as of January 1, 2001.

**CITY OF SIOUX CITY, IOWA
PROPERTY TAX LEVIES AND COLLECTIONS¹
LAST TEN FISCAL YEARS**

TABLE IX

FISCAL YEAR	TOTAL TAX LEVY²	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	COLLECTIONS IN SUBSEQUENT YEARS³	TOTAL TAX COLLEC- TIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	OUT- STANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
2003	\$ 29,270,945	\$ 28,709,279	98.08%	N/A	\$ 28,709,279	98.08%	\$ 561,666	1.92%
2004	31,031,623	30,344,967	97.79%	N/A	30,344,967	97.79%	686,656	2.21%
2005	33,456,833	32,553,542	97.30%	N/A	32,553,542	97.30%	903,291	2.70%
2006	34,507,900	33,669,147	97.57%	N/A	33,669,147	97.57%	838,753	2.43%
2007	36,050,819	35,160,981	97.53%	N/A	35,160,981	97.53%	889,838	2.47%
2008	36,810,674	35,823,650	97.32%	N/A	35,823,650	97.32%	987,024	2.68%
2009	38,061,596	36,876,511	96.89%	N/A	36,876,511	96.89%	1,185,085	3.11%
2010	38,020,080	36,173,461	95.14%	N/A	36,173,461	95.14%	1,846,619	4.86%
2011	38,099,144	37,779,912	99.16%	N/A	37,779,912	99.16%	319,232	0.84%
2012	\$ 37,723,796	\$ 37,664,946	99.84%	N/A	\$ 37,664,946	99.84%	\$ 58,850	0.16%

Source: Woodbury County Treasurer, Woodbury County, Iowa

Notes:

¹ GAAP Basis.

² Tax Increment Levy and SID tax Levy not included.

³ The Woodbury County Treasurer's Office does not record for which year delinquent payments are made.

**CITY OF SIOUX CITY, IOWA
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS**

TABLE X

FISCAL YEAR	CURRENT ASSESSMENTS DUE	CURRENT ASSESSMENTS COLLECTED	PERCENT OF COLLECTIONS TO AMOUNT DUE	TOTAL OUTSTANDING CURRENT & DELINQUENT ASSESSMENTS¹
2003	\$ 193,471	\$ 442,040	228%	\$ 1,821,654
2004	182,165	283,281	156%	1,152,335
2005	115,234	307,002	266%	1,245,630
2006	124,563	298,352	240%	1,164,862
2007	116,486	252,541	217%	961,485
2008	96,149	261,656	272%	834,462
2009	83,446	63,821	76%	1,171,997
2010	117,200	221,532	189%	1,393,779
2011	139,378	276,348	198%	1,543,133
2012	\$ 154,313	\$ 177,898	115%	\$ 2,017,251

Source: Woodbury County Treasurer, Woodbury County, Iowa

Note:

¹ GAAP basis.

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**CITY OF SIOUX CITY, IOWA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES		
	NOTES PAYABLE	GENERAL OBLIGATION BONDS	CAPITAL LEASES	NOTES PAYABLE	GENERAL OBLIGATION BONDS	REVENUE BONDS
2003	\$ 859,792	\$ 88,040,439	\$ 2,480,000	\$ 11,870,924	\$ 9,044,561	\$ 3,840,000
2004	644,709	89,042,621	1,915,000	26,463,062	8,092,379	3,240,000
2005	173,333	94,904,574	1,310,000	28,276,782	7,530,426	2,595,000
2006	90,771	95,359,610	670,000	31,531,535	8,530,390	1,915,000
2007	25,000	87,260,843	---	41,349,668	6,839,157	1,195,000
2008	20,417	95,834,142	---	61,901,747	5,950,858	465,000
2009	15,000	95,104,514	---	75,722,515	4,840,486	---
2010	10,417	98,803,831	---	95,878,872	6,416,169	---
2011	8,353	103,706,105	---	122,823,726	7,943,895	---
2012	\$ 1,196	\$ 100,336,458	\$ ---	\$ 140,703,316	\$ 8,153,542	\$ ---

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Demographic and Economic Statistics, Table XVI for personal income and population data.

TABLE XI

	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME ¹	PER CAPITA ¹
\$	116,135,716	7.32%	1,366
	129,397,771	8.15%	1,522
	134,790,115	8.37%	1,586
	138,097,306	8.57%	1,624
	136,669,668	7.70%	1,608
	164,172,164	9.25%	1,977
	175,682,515	10.38%	2,067
	201,109,289	11.46%	2,422
	234,482,079	13.69%	2,836
\$	249,194,512	14.20%	3,004

**CITY OF SIOUX CITY, IOWA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

TABLE XII

FISCAL YEAR	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE¹ OF PROPERTY	PER CAPITA²
2003	\$ 97,085,000	\$ 3,802,491	\$ 93,282,509	5.20%	\$ 1,097
2004	97,135,000	4,924,215	92,210,785	4.93%	1,085
2005	102,435,000	2,411,720	100,023,280	5.36%	1,177
2006	103,890,000	1,438,126	102,451,874	5.36%	1,205
2007	94,100,000	1,438,831	92,661,169	4.74%	1,090
2008	101,785,000	3,203,515	98,581,485	4.99%	1,160
2009	99,945,000	3,916,810	96,028,190	4.79%	1,130
2010	105,220,000	7,127,123	98,092,877	4.77%	1,181
2011	111,650,000	7,939,178	103,710,822	4.85%	1,254
2012	\$ 108,490,000	\$ 8,914,435	\$ 99,575,565	4.52%	\$ 1,200

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See the Table of Assessed Values and Taxable Value of Taxable Property, Table VI for property value data.

² Population data can be found in the Table of Demographic and Economic Statistics, Table XVI.

CITY OF SIOUX CITY, IOWA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT⁶
JUNE 30, 2012

TABLE XIII

NAME OF GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE ⁷ TO THIS GOVERNMENTAL UNIT	AMOUNT APPLICABLE TO CITY OF SIOUX CITY
Direct:			
City of Sioux City	\$ 100,337,654	100.00%	\$ 100,337,654
Overlapping:			
Woodbury County ¹	2,145,200	65.65%	1,408,324
Sioux City Community School District ²	510,000	98.83%	504,033
Western Iowa Tech Community College ³	21,410,000	37.70%	8,071,570
Lawton-Bronson School District ⁴	6,260,000	0.40%	25,040
Sergeant Bluff-Luton Comm School District ⁵	<u>3,650,000</u>	24.81%	<u>905,565</u>
Total Overlapping	33,975,200		10,914,532
TOTAL	\$ <u>134,312,854</u>		\$ <u>111,252,186</u>

Sources:

¹ County Auditor and Recorder, Woodbury County, Iowa

² Sioux City Community School District

³ Western Iowa Tech Community College

⁴ Lawton-Bronson School District

⁵ Sergeant Bluff-Luton Community School District

Notes:

⁶ Excluding General Obligation bonds reported in the Enterprise Funds.

⁷ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the City's boundaries and dividing it by each unit's total assessed value.

**CITY OF SIOUX CITY, IOWA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2003	2004	2005	2006
Debt Limit	\$ 153,702,241	\$ 155,522,744	\$ 158,195,931	\$ 161,205,717
Total net debt applicable to limit	94,142,301	92,855,494	100,196,613	102,542,645
Legal Debt Margin	<u>\$ 59,559,940</u>	<u>\$ 62,667,250</u>	<u>\$ 57,999,318</u>	<u>\$ 58,663,072</u>
Total net debt applicable to limit as a percentage of debt limit	61.25%	59.71%	63.34%	63.61%

Notes:

Under Title IX, Subtitle 2, Chapter 358C, paragraph 16 of the Iowa State Code, the City's debt limit should not exceed 5% of the estimated value of the taxable property within that district.

TABLE XIV

2007	2008	2009	2010	2011	2012
\$ 170,183,839	\$ 172,515,895	\$ 179,442,994	\$ 182,006,722	\$ 185,287,457	\$ 186,844,264
92,686,169	98,601,902	96,043,190	98,103,294	103,719,175	99,576,761
\$ 77,497,670	\$ 73,913,993	\$ 83,399,804	\$ 83,903,428	\$ 81,568,282	\$ 87,267,503
54.46%	57.16%	53.52%	53.90%	55.98%	53.29%

**CITY OF SIOUX CITY, IOWA
LEGAL DEBT MARGIN CALCULATION
JUNE 30, 2012**

TABLE XV

ASSESSED VALUE

Real and Personal Property Within the City	\$ 3,736,885,271
TOTAL ESTIMATED VALUATION	<u>3,736,885,271</u>
DEBT LIMIT - 5% OF ESTIMATED VALUATION	<u>186,844,264</u>

AMOUNT OF DEBT APPLICABLE TO LIMIT

Total Bonded Debt and Long-Term Notes Payable	249,194,512
Less:	

Notes Payable

Sewer Revolving Notes Payable	77,519,555	
Water Revolving Notes Payable	<u>63,183,761</u>	
		140,703,316
Amount Available for Repayment of General Obligation Debt		<u>8,914,435</u>

DEBT APPLICABLE TO DEBT LIMIT	99,576,761
LEGAL DEBT MARGIN	<u>\$ 87,267,503</u>

Notes:

Under Title IX, Subtitle 2, Chapter 358C, paragraph 16 of the Iowa State Code, the City's debt limit should not exceed 5% of the estimated value of the taxable property within that district.

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**CITY OF SIOUX CITY, IOWA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

CALENDAR YEAR	POPULATION¹	TOTAL PERSONAL INCOME²	PER CAPITA PERSONAL INCOME¹
2003	85,013	\$ 1,586,852,658	\$ 18,666
2004	85,013	1,586,852,658	18,666
2005	85,013	1,610,486,272	18,944
2006	85,013	1,610,486,272	18,944
2007	85,013	1,774,136,297	20,869
2008	85,013	1,774,136,297	20,869
2009	85,013	1,691,928,726	19,902
2010	83,035	1,754,363,480	21,128
2011	82,684	1,713,295,164	20,721
2012	82,967	\$ 1,754,503,149	\$ 21,147

Sources:

¹ U.S. Census Bureau Estimates

² Computation of per capita personal income multiplied by population.

³ Sioux City Community School District, Bishop Heelan Catholic Schools and Siouxland Community Christian School

⁴ Iowa Workforce Development Website.

TABLE XVI

EDUCATIONAL ATTAINMENT BACHELOR'S DEGREE OR HIGHER ¹	MEDIAN AGE ¹	SCHOOL ENROLLMENT ³	UNEMPLOYMENT RATE ⁴
19%	33.4	16,505	5.00%
19%	33.4	16,465	5.40%
19%	33.4	16,227	4.50%
20%	37.5	16,024	3.80%
23%	36.2	15,736	3.70%
23%	36.2	15,596	3.60%
21%	35.4	15,497	5.60%
21%	35.4	15,643	7.50%
20%	34.3	15,573	5.80%
20%	33.7	15,536	5.20%

**CITY OF SIOUX CITY, IOWA
PRINCIPAL EMPLOYERS
CURRENT YEAR¹**

TABLE XVII

EMPLOYER	2012		
	# OF EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Tyson Fresh Meats	3,348	1	7.84%
Mercy Medical Center	2,079	2	4.87%
Sioux City Community School District	1,800	3	4.22%
St. Luke's Medical Center	1,750	4	4.10%
185th Iowa Air National Guard	950	5	2.22%
Curly's Foods	700	6	1.64%
Western Iowa Tech Community College	700	7	1.64%
Tur Pak Foods Inc.	700	8	1.64%
City of Sioux City	684	9	1.60%
Wilson Trailer	500	10	1.17%
Total Principal Employers	13,211		30.94%
Other Employers	29,489		69.06%
Total Employers	42,700		100.00%

Source: Sioux City Economic Development website www.locationone.com

Notes:

¹ Comparative data for nine years ago not currently available.

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**CITY OF SIOUX CITY, IOWA
FULL-TIME EQUIVALENT CITY GOVERNMENT BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year			
	2003	2004	2005	2006
Public Safety				
Fire	118.63	115.63	115.63	117.00
Police	160.65	158.65	159.65	153.65
Public Works				
Engineering	23.40	24.40	24.40	20.00
Field Services	128.49	128.49	126.91	137.81
Transit ³	36.25	30.52	53.02	52.02
Culture and Recreation				
Art Center	9.99	9.99	9.99	9.99
Convention Center/Auditorium/Tourism	60.46	60.46	58.71	58.71
Library	38.02	36.27	36.27	36.27
Museum	9.66	9.28	9.61	9.61
Community and Economic Development ⁶				
Community Development	42.51	43.02	42.52	42.38
Economic Development	5.00	8.00	8.00	8.00
General Government				
Administrative Services ¹	42.55	41.05	40.05	39.55
City Council	5.00	5.00	5.00	5.00
City Manager ²	10.30	8.18	7.88	3.88
Finance ¹	36.13	36.08	11.58	11.58
Human Resources ⁵	-	-	-	4.00
Human Rights	3.00	2.00	2.00	2.00
Legal	7.00	7.00	6.00	7.00
Employees under 28E Agreement				
Communications Center	25.40	24.40	24.40	24.40
Information Center	15.00	15.00	14.00	14.00
Airport	20.00	20.00	18.33	17.83
Water	36.75	36.00	36.00	34.00
Sewer ⁷	15.00	15.00	15.00	15.00
Solid Waste ⁴	29.75	29.75	29.75	2.00
	<u>878.94</u>	<u>864.17</u>	<u>854.70</u>	<u>825.68</u>

Source: City of Sioux City Finance Department

Notes:

¹ The Finance Department and Administrative Services Department were combined in 2007.

² In 2003, the Economic Development Department moved out of the General Government (City Manager) function and into the Community and Economic Development function as its own department. The Marketing Department in the General Government (City Manager) function was eliminated in 2004.

³ The Central Maintenance Garage was moved from the General Government (Finance) function to the Public Works (Transit) function in 2005.

⁴ In 2006, the Solid Waste function was contracted out.

⁵ The Human Resources Department was moved out of the City Manager Department into its own department within the General Government function in 2006.

⁶ The Real Estate Division of Economic Development was moved to Community Development in 2008.

⁷ The Utilities Department added 25 waste water treatment plant employees in 2012 as a result of terminating the operations contract with American Water Services.

TABLE XVIII

2007	2008	2009	2010	2011	2012
117.00	116.00	116.00	116.00	116.00	115.00
152.65	153.65	151.65	151.65	151.65	149.65
20.00	20.00	20.00	19.00	19.00	18.00
139.81	137.11	138.95	139.28	138.90	136.48
51.02	53.02	53.02	56.02	56.02	56.02
9.99	9.49	10.49	10.36	9.89	8.72
58.59	58.59	54.82	54.82	54.82	54.14
36.27	36.47	36.47	35.47	34.47	32.47
9.52	9.72	9.37	9.25	10.25	10.25
41.38	45.88	45.88	44.88	42.88	40.88
8.00	4.75	4.75	5.00	5.00	5.00
49.00	49.55	49.00	48.75	49.05	48.90
5.00	5.00	5.00	5.00	5.00	5.00
3.75	3.75	3.75	3.75	3.75	2.75
-	-	-	-	-	-
4.63	4.63	4.63	4.63	4.63	4.53
2.60	2.80	2.80	2.80	2.80	2.60
7.00	7.00	7.00	7.00	7.00	7.00
24.40	24.40	24.40	24.40	24.40	24.40
14.00	14.00	14.00	14.00	13.00	13.00
16.95	16.95	17.53	16.03	15.03	15.03
30.80	33.50	32.50	32.50	31.50	34.50
13.00	13.00	13.00	13.00	13.00	37.00
1.50	-	-	-	-	-
816.86	819.26	815.01	813.59	808.04	821.32

**CITY OF SIOUX CITY, IOWA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS¹**

Function	Fiscal Year			
	2003	2004	2005	2006
Police				
Average physical arrests per day - adult	16.4	17.8	16.5	14.9
Average physical arrests per day - juvenile	4.2	4.8	4.4	4.5
Traffic citations issued	13,258	16,110	17,634	13,117
Fire				
Number of suppression calls	1,512	1,487	1,427	1,704
Number of emergency medical calls	4,234	4,206	4,158	3,931
% of responses where EMS on scene in 4 min	59%	61%	61%	50%
Number of hazardous materials incidents in city	5	1	11	6
Public Works				
Streets cleaned per year (miles)	17,762	20,015	21,505	19,620
Asphalt placed (tons)	1,384	1,137	1,167	889
Potholes repaired	17,742	18,932	24,537	19,833
Dirt miles bladed and shaped	6,464	5,824	5,209	5,607
Total Transit System miles	821,037	688,761	674,405	681,902
Total Transit System passengers ³	1,191,507	1,007,149	1,042,757	860,519
Total Transit System passengers per mile	1.45	1.46	1.55	1.26
Culture and Recreation				
Swimming pool attendance ²	90,000	60,000	84,324	85,396
Museum visitation	59,550	63,625	64,674	50,893
Community and Economic Development				
Total residential/commercial permits issued	1,303	1,319	2,794	3,201
Property value for commercial permits issued	\$127,515,206	\$92,254,675	\$122,652,094	\$108,305,627
Property value for residential permits issued	\$11,076,078	\$19,917,765	\$20,572,504	\$24,491,184
Number of inspections made	23,424	19,364	22,594	25,026
Water				
Water production (millions of gallons)	4,858	4,784	5,457	5,081
Water main breaks per miles of pipe	0.26	0.25	0.31	0.21
Total main breaks	105	103	124	86
Length of service disruption per break (hours)	6.00	5.96	10.18	6.13
Sewer				
Sewer backups	51	57	97	93
Total hours per sewer backup	2.96	6.45	6.69	5.27
Solid Waste				
Refuse collected (tons/day) ⁴	128.00	129.24	127.08	121.85
Recyclables collected (tons/day) ⁴	6.85	6.53	8.42	8.78

Source: Various City of Sioux City departments.

Notes:

¹ Indicators are not available in all areas for all ten years.

² Swimming pool attendance was low in fiscal years 2004, 2010 and 2011 due to unseasonably cool weather.

³ Total Transit passengers decreased in 2006 since the number is the actual number of passengers and no longer based on a formula.

⁴ Solid Waste refuse and recyclables collected is no longer available as the work is contracted out to a third party.

TABLE XIX

2007	2008	2009	2010	2011	2012
15.7	14.6	15.2	14.3	14.1	12.8
5.0	4.0	4.5	3.8	4.2	3.9
13,190	9,705	14,892	12,376	10,885	10,323
1,550	1,576	1,679	1,564	1,624	1,584
4,399	4,524	4,758	4,909	5,203	5,215
62%	86%	87%	83%	80%	84%
3	9	3	7	7	10
15,281	13,301	11,846	14,068	13,982	13,156
991	1,854	1,849	2,401	2,651	2,266
22,447	28,404	27,533	38,181	41,841	31,782
4,837	8,039	17,568	17,713	12,215	10,982
666,987	677,453	743,317	781,697	875,120	852,875
970,808	1,224,567	1,203,818	1,202,255	1,250,294	1,204,897
1.46	1.81	1.62	1.54	1.43	1.41
77,684	70,248	64,460	52,132	49,336	65,256
50,741	47,412	50,008	46,828	33,903	77,281
3,115	3,055	2,895	2,943	2,858	3,038
\$126,792,169	\$151,235,117	\$146,361,953	\$101,417,640	\$82,687,755	\$98,358,399
\$26,641,760	\$27,305,791	\$24,551,180	\$24,682,987	\$18,399,761	\$23,192,263
23,324	25,012	26,153	23,250	23,568	25,468
4,844	5,024	4,775	4,654	4,365	4,044
0.29	0.25	0.21	0.24	0.25	0.28
122	113	102	115	119	132
9.53	6.33	6.93	5.67	7.96	8.61
95	90	78	77	44	49
6.13	8.20	9.10	5.03	7.23	14.40
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a

**CITY OF SIOUX CITY, IOWA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS¹**

Function	Fiscal Year			
	2003	2004	2005	2006
Police				
Stations	1	1	1	1
Patrol Cars	n/a	n/a	49	52
Training Centers	1	1	1	1
Fire				
Stations	7	7	7	7
Engines	n/a	n/a	15	14
Public Works				
Transit Buses	n/a	n/a	44	42
Streets (miles)	510	510	510	510
Streetlights (City Owned)	1,283	1,339	1,384	1,379
Sidewalks (miles)	496	497	497	497
Culture and Recreation				
Parks Acres	1,425	1,425	1,425	1,403
Parks	57	57	57	57
Swimming Pools	5	5	5	5
Tennis Courts	22	22	22	22
Softball Diamonds	18	13	13	13
Baseball Diamonds	40	34	34	34
Soccer Fields	9	10	10	10
Golf Courses (18 hole)	2	2	2	2
Play Fields	29	29	29	29
Cemetery				
Cemeteries (acres)	225	225	225	225
Cemeteries Maintained (acres)	180	180	180	185
Water				
Fire Hydrants (City maintained)	n/a	n/a	3,476	3,543
Water Mains (miles)	n/a	n/a	405	415
Sewer				
Sanitary Sewer (miles)	320	320	320	320
Storm Sewer (miles) ²	200	200	200	200
Solid Waste				
Solid Waste Collection Trucks	11	11	11	11
Recycling Trucks	5	5	5	5

Notes:

¹ Indicators are not available in all areas for all ten years.

TABLE XX

2007	2008	2009	2010	2011	2012
1	1	1	1	1	1
46	51	57	53	52	59
1	1	1	1	1	1
7	7	7	7	7	7
14	14	14	15	15	14
38	41	42	43	43	40
510	489	489	489	489	489
1,457	1,461	1,476	1,499	1,499	1,517
497	497	600	600	600	600
1,600	1,700	1,700	1,700	1,700	1,700
57	58	58	58	58	57
5	5	5	5	5	5
22	22	22	22	20	20
13	13	13	13	12	12
34	34	34	34	34	34
10	10	10	10	10	10
2	2	2	2	2	2
29	29	29	29	29	29
225	225	225	225	225	225
185	185	185	185	185	185
3,535	3,524	3,524	3,665	3,661	3,941
450	450	483	475	462	466
360	360	372	360	362	363
200	200	200	228	246	256
14	12	12	12	14	14
5	0	0	0	0	0

SIOUXTM
CITY

CITY OF SIOUX CITY, IOWA
ADDITIONAL INFORMATION

SIOUXTM
CITY

**CITY OF SIOUX CITY HOUSING AUTHORITY
BALANCE SHEET
JUNE 30, 2012**

Performance Center Project	242	246
Project No.	IA018V0	IA018VA

Contract No.	<u>KC9030V</u>
--------------	----------------

ASSETS

Cash	\$ 619,173	\$ 71,795
Accounts Receivable (net of allowance for doubtful account)	<u>31,949</u>	<u>---</u>
Total Assets	<u><u>651,122</u></u>	<u><u>71,795</u></u>

LIABILITIES & DEFERRED CREDITS

Accounts Payable	1,610	---
Security Deposits	64,354	---
Accrued Liabilities-Current	<u>62,173</u>	<u>---</u>
Total Liabilities	128,137	---

EQUITY:

Restricted Net Assets	469,300	71,795
Unrestricted Net Assets	<u>53,685</u>	<u>---</u>
Total Equity/Net Assets	522,985	71,795
 Total Liabilities and Equity/Net Assets	 <u><u>\$ 651,122</u></u>	 <u><u>\$ 71,795</u></u>

241/243/245	GRAND TOTAL (MEMORANDUM <u>ONLY</u>)
\$ 748,217	\$ 1,439,185
3,692	35,641
<u>751,909</u>	<u>1,474,826</u>
---	1,610
---	64,354
---	62,173
<u>---</u>	<u>128,137</u>
---	541,095
<u>751,909</u>	<u>805,594</u>
751,909	1,346,689
<u>\$ 751,909</u>	<u>\$ 1,474,826</u>

CITY OF SIOUX CITY, IOWA
SCHEDULE OF SIOUX CITY FEDERAL HOUSING AUTHORITY
ANALYSIS OF GENERAL FUND CASH
JUNE 30, 2012

Performance Center Project	242	246
Project No.	IA018V0	IA018VA
Contract No.	KC9030V	-

COMPOSITION BEFORE ADJUSTMENTS

Net Operating Receipts Retained:

Total Net Assets	\$ 522,985	\$ 71,795
Total	522,985	71,795

ADJUSTMENTS

Expenses Not Paid/(Prepaid):

Accounts Payable	1,610	---
Accrued Wages	62,173	---
Security Deposits	64,354	---

Income Not Received:

Accounts Receivable (net of allowance for doubtful accounts)	(31,949)	---
--	----------	-----

General Fund Cash Available	\$ 619,173	\$ 71,795
-----------------------------	------------	-----------

241/243/245

GRAND
TOTALS
(MEMORANDUM
ONLY)

\$	751,909
	<hr/>
	751,909

\$	1,346,689
	<hr/>
	1,346,689

100 200 300

1,610

— — —

62,173

— — —

64,354

(3,692)

\$ (35,641)

\$ 748,217

\$ 1,439,185

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF SALARY, ALLOWANCES,
AND REIMBURSED EXPENSES
FOR TEN HIGHEST PAID EMPLOYEES
FOR THE YEAR ENDED JUNE 30, 2012**

EXHIBIT E-3

NAME	SALARY	ALLOWANCES/ REIMBURSED EXPENSES	DESCRIPTION
Paul A. Eckert, City Manager	\$148,631	\$ 5,001	Travel/auto allowance
Robert K. Padmore, Assistant City Manager	\$127,757	\$ 600	Cell phone allowance
Christopher R. Payer, City Engineer	\$115,707	\$ 943	Travel reimbursement
John J. Malloy, Information Services Director	\$113,626	\$ 638	Travel/cell phone allowance
Curtis R. Miller, Airport/Transit/Fleet Director	\$112,926	\$ 4,632	Travel/auto/cell phone allowance
Aran W. Rush, Events Facilities Director	\$109,767	\$ 1,816	Travel Reimbursement
Thomas M. Everett, Fire Chief	\$109,028	\$ ---	
Douglas A. Young, Police Chief	\$108,974	\$ 1,150	Travel/clothing allowance
Robert S. Logan, Senior Civil Engineer	\$107,038	\$ 120	Cell phone allowance
Jade S. Dundas, Public Works Director	\$102,264	\$ 644	Travel reimbursement

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2012**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 12/1/03				
Amount Issued: \$6,315,000				
City Project # 911-142				
Matures:	2013	3.50%	630,000	
	2014	3.62%	<u>630,000</u>	\$1,260,000
Type: Corporate Purpose				
Issued: 12/1/03				
Amount Issued: \$6,085,000				
City Project # 911-143				
Matures:	2013	3.40%	600,000	
	2014	3.50%	<u>600,000</u>	\$1,200,000
Type: Corporate Purpose				
Issued: 12/1/04				
Amount Issued: \$5,140,000				
City Project # 911-144				
Matures:	2013	4.00%	515,000	
	2014	4.00%	510,000	
	2015	4.00%	<u>510,000</u>	\$1,535,000
Type: Corporate Purpose				
Issued: 12/1/04				
Amount Issued: \$14,755,000				
City Project # 911-146				
Matures:	2013	3.38%	1,475,000	
	2014	3.55%	1,475,000	
	2015	3.63%	<u>1,475,000</u>	\$4,425,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2012**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 12/1/05				
Amount Issued: \$4,330,000				
City Project #911-147				
Matures:	2013	4.00%	430,000	
	2014	4.13%	430,000	
	2015	4.13%	430,000	
	2016	4.13%	<u>430,000</u>	\$1,720,000
Type: Corporate Purpose				
Issued: 12/1/05				
Amount Issued: \$12,990,000				
City Project # 911-149				
Matures:	2013	4.00%	1,300,000	
	2014	4.00%	1,300,000	
	2015	4.00%	1,295,000	
	2016	4.00%	<u>1,295,000</u>	\$5,190,000
Type: Corporate Purpose				
Issued: 12/1/05				
Amount Issued: \$1,830,000				
City Project # 911-150				
Matures:	2013	4.00%	180,000	
	2014	4.13%	180,000	
	2015	4.13%	180,000	
	2016	4.13%	<u>180,000</u>	\$720,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2012**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 12/1/06				
Amount Issued: \$8,755,000				
City Project # 911-151				
Matures:	2013	4.00%	875,000	
	2014	4.00%	875,000	
	2015	4.00%	875,000	
	2016	4.00%	875,000	
	2017	4.00%	875,000	
			<hr/>	\$4,375,000
Type: Corporate Purpose				
Issued: 12/1/07				
Amount Issued: \$9,385,000				
City Project # 911-152				
Matures:	2013	4.00%	940,000	
	2014	4.00%	940,000	
	2015	4.00%	940,000	
	2016	4.00%	935,000	
	2017	4.00%	935,000	
	2018	4.00%	935,000	
			<hr/>	\$5,625,000
Type: Corporate Purpose				
Issued: 12/1/07				
Amount Issued: \$4,525,000				
City Project # 911-153				
Matures:	2013	4.00%	455,000	
	2014	4.00%	450,000	
	2015	4.00%	450,000	
	2016	4.00%	450,000	
	2017	4.00%	450,000	
	2018	4.00%	450,000	
			<hr/>	\$2,705,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2012**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 12/1/07				
Amount Issued: \$10,990,000				
City Project # 911-154				
Matures:	2013	5.00%	1,100,000	
	2014	5.00%	1,100,000	
	2015	5.00%	1,100,000	
	2016	5.00%	1,100,000	
	2017	5.00%	1,095,000	
	2018	5.00%	<u>1,095,000</u>	\$6,590,000
Type: Corporate Purpose				
Issued: 4/1/08				
Amount Issued: \$13,440,000				
City Project # 911-156				
Matures:	2013	3.25%	<u>1,205,000</u>	\$1,205,000
Type: Corporate Purpose				
Issued: 4/1/09				
Amount Issued \$9,435,000				
City Project # 911-158				
Matures:	2013	3.00%	860,000	
	2014	3.00%	860,000	
	2015	4.00%	860,000	
	2016	4.00%	855,000	
	2017	4.00%	855,000	
	2018	4.00%	855,000	
	2019	4.00%	855,000	
	2020	4.00%	855,000	
	2021	5.00%	<u>855,000</u>	\$7,710,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2012**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 4/1/09				
Amount Issued: \$5,550,000				
City Project # 911-159				
Matures:	2013	2.50%	500,000	
	2014	3.00%	500,000	
	2015	3.00%	500,000	
	2016	3.25%	500,000	
	2017	3.50%	500,000	
	2018	3.50%	500,000	
	2019	3.60%	500,000	
	2020	3.80%	500,000	
	2021	4.00%	500,000	
				\$4,500,000
Type: Corporate Purpose				
Issued: 4/1/09				
Amount Issued: \$7,330,000				
City Project # 911-161				
Matures:	2013	2.10%	1,430,000	
	2014	2.50%	1,395,000	
				\$2,825,000
Type: Corporate Purpose				
Issued: 3/1/10				
Amount Issued: \$13,750,000				
City Project # 911-162				
Matures:	2013	3.00%	1,145,000	
	2014	3.00%	1,145,000	
	2015	3.00%	1,145,000	
	2016	3.00%	1,145,000	
	2017	3.00%	1,145,000	
	2018	3.13%	1,145,000	
	2019	3.13%	1,145,000	
	2020	3.13%	1,145,000	
	2021	3.25%	1,145,000	
	2022	3.38%	1,145,000	
				\$11,450,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2012**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$5,625,000			
City Project # 911-163			
Matures:			
2013	2.00%	470,000	
2014	2.00%	470,000	
2015	2.00%	470,000	
2016	2.50%	470,000	
2017	3.00%	470,000	
2018	3.00%	470,000	
2019	3.00%	470,000	
2020	4.00%	465,000	
2021	4.00%	465,000	
2022	4.00%	465,000	
			\$4,685,000
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$2,080,000			
City Project # 911-164			
Matures:			
2013	2.25%	210,000	
2014	2.55%	210,000	
2015	3.00%	210,000	
2016	3.45%	210,000	
2017	3.75%	205,000	
2018	4.00%	205,000	
2019	4.25%	205,000	
2020	4.35%	205,000	
			\$1,660,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2012**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 3/1/10				
Amount Issued: \$4,580,000				
City Project # 911-165				
Matures:	2013	2.00%	920,000	
	2014	3.00%	900,000	
	2015	3.00%	<u>890,000</u>	
				\$2,710,000
Type: Corporate Purpose				
Issued: 5/1/11				
Amount Issued: \$23,425,000				
City Project # 911-166				
Matures:	2013	2.00%	2,440,000	
	2014	2.00%	2,440,000	
	2015	2.00%	2,435,000	
	2016	2.00%	2,435,000	
	2017	2.50%	2,435,000	
	2018	3.00%	2,435,000	
	2019	3.00%	2,435,000	
	2020	4.00%	2,435,000	
	2021	4.00%	<u>2,435,000</u>	
				\$21,925,000
Type: Corporate Purpose				
Issued: 6/20/12				
Amount Issued: \$9,635,000				
City Project # 911-167				
Matures:	2013	2.00%	965,000	
	2014	2.00%	965,000	
	2015	2.00%	965,000	
	2016	2.00%	965,000	
	2017	2.00%	965,000	
	2018	2.00%	965,000	
	2019	2.00%	965,000	
	2020	2.25%	960,000	
	2021	2.25%	960,000	
	2022	2.35%	<u>960,000</u>	
				\$9,635,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2012**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 6/20/12				
Amount Issued: \$4,840,000				
City Project # 911-169				
Matures:	2013	0.80%	485,000	
	2014	0.80%	485,000	
	2015	0.85%	485,000	
	2016	1.00%	485,000	
	2017	1.20%	485,000	
	2018	1.45%	485,000	
	2019	1.70%	485,000	
	2020	1.90%	485,000	
	2021	2.15%	480,000	
	2022	2.40%	480,000	
				<u>\$4,840,000</u>
Total General Obligation Bonds				<u>\$108,490,000</u>

CITY OF SIOUX CITY, IOWA
SINGLE AUDIT SECTION

CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2012

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
FEDERAL AWARDS					
DEPARTMENT OF COMMERCE - ECONOMIC DEVELOPMENT ADMINISTRATION					
Economic Adjustment Assistance	11.307	05-69-05106	\$ 40,000	\$ -	\$ 26,000
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT					
Community Development Block Grant Entitlement	14.218	B-09-MC-19-0006	1,915,845	781,055	791,533
	14.218	B-10-MC-19-0006	2,077,613	1,326,472	1,325,519
Emergency Shelter Grant	14.231	S-09-MC-19-0002	83,565	10,405	10,405
	14.231	S-10-MC-19-0002	83,961	18,898	11,028
Emergency Solution Grant	14.231	E-11-MC-19-0002	84,173	71,002	72,088
Supportive Housing Program/Continuum of Care	14.235	IA0004B7D001003	113,452	113,452	81,608
Home Investment Partnerships Program	14.239	M-08-DC-19-0207	497,773	35,016	22,163
	14.239	M-09-DC-19-0207	554,280	387,578	247,716
	14.239	M-10-DC-19-0207	551,295	169,905	258,523
Community Development Block Grant-Recovery	14.253	ARRA B09-MY-19-0002	509,481	74,962	52,433
2009 Recovery Act Homeless Prevention	14.257	ARRA S09-MY-19-0002	779,497	273,673	271,044
Fair Housing Assistance Program	14.401	FF207K097018	38,428	-	13,123
	14.401	FF207K117018	47,155	2,500	-
Section 8 Voucher Program	14.871	IA018VO0142	4,611,465	4,611,465	4,507,360
Section 8 Voucher Program-FSS	14.871	2010-FSS8-IA018-5209	140,000	140,000	155,888
Lead-Based Paint Hazard Control	14.907	ARRA IALHB0425-08	1,983,747	170,920	163,424
	14.907	IALHB0542-12	2,480,000	-	6,036
Passed through Iowa Department of Economic Development					
Community Development Block Grant/State Program and Non-Entitlement Grants	14.228	08-NSP-021	1,158,426	63,026	61,820
	14.228	11-NSP-021	1,000,000	123,934	142,696
U.S. DEPARTMENT OF JUSTICE					
Passed through Governor's Office of Drug Control Policy					
Byrne-Justice Assistance Grant (JAG) Program	16.803	09JAG/ARRA-16498C	239,215	217,094	239,215
	16.803	09JAG/ARRA-3605B	249,516	10,722	-
Passed through Woodbury County					
Byrne-Justice Assistance Grant (JAG) Program	16.738	2009-DJ-BX-0402	41,400	-	4,274
	16.738	ARRA2009-SB-B9-3028	184,820	-	18,601
	16.738	2010-DJ-BX-1115	36,656	-	22,465
	16.738	2011-DJ-BX-3015	28,546	-	1,369
U.S. DEPARTMENT OF JUSTICE					
Bulletproof Vest Partnership Program	16.607	2007BUBX06133806	6,588	1,320	-
	16.607	2007BUBX06133806	8,063	-	7,704
Project Safe Neighborhoods	16.609	09-ND05	11,027	2,302	2,302
	16.609	10-PSN-6525	11,318	7,360	7,360
	16.609	11-PSN-ND05	13,811	7,062	7,926
Office of Community Oriented Policing	16.710	2009CKWX0564	458,218	2,578	-
	16.710	2010CKWX0446	692,227	603,070	347,859
Methamphetamine Drug Hot Spots Grant	16.710	09Hotspots/Interdiction10	\$ 19,500	\$ 2,398	\$ 2,398

CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2012

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
U.S. DEPARTMENT OF TRANSPORTATION					
Federal Aviation Administration					
Airport Improvement Project	20.106	AIP319008540-2009	\$ 656,689	\$ 31,172	\$ 31,172
	20.106	AIP319008541-2010	539,213	539,213	539,213
	20.106	AIP319008544-2011	376,642	-	97,744
Passed through Iowa Department of Transportation					
Highway Planning and Construction	20.205	BHM7057(674)8K97	752,000	-	988
	20.205	BRM7057(650)8N97	1,000,000	492,385	883,900
	20.205	BROS7057(632)8J97	1,000,000	2,878	374,564
	20.205	HDP7057(649)7I97	2,489,260	118,344	69,203
	20.205	HDP7057(658)7I97	3,624,920	4,184	4,405
	20.205	STPA7057(647)8697	772,400	32,022	-
	20.205	STPE7057(655)8V97	209,990	142,586	-
	20.205	STPESE7057(636)8I97	600,000	30,000	-
	20.205	STPU7057(644)7097	5,252,692	3,261,518	3,670,312
Surface Transportation Program	20.205	STPU7057(656)7097	3,093,760	137,955	-
	20.205	STPU7057(630)7097	1,957,706	222,687	22,800
	20.205	STPU7057(668)7097	581,000	461,465	581,000
	20.205	STPU7057(669)7097	480,000	317,791	334,517
Transportation Enhancement Program	20.205	STPES7057(651)8I97	606,856	27,920	-
Section 5309 Discretionary Capital	20.500				
Transit JPA Transportation for Elderly/Disabled	20.513	IA-16-X002-705-12	63,173	63,173	63,173
Transit JPA Job Access/Reverse Commute	20.516	IA-37-X017-705-11	39,618	819	819
	20.516	IA-37-X022-705-12	41,319	1,638	2,459
Transit JPA New Freedom Operating Assistance	20.521	IA-57-X001-705-11	1,738	801	174
	20.521	IA-57-X009-705-11	174,964	174,964	174,964
	20.521	IA-57-X001-705-12	2,500	999	999
FEDERAL TRANSIT ADMINISTRATION					
Transit Operating Assistance	20.507	IA90X373	1,569,119	1,569,119	-
	20.507	IA90X387	1,456,719	-	1,456,719
Transit JPA InterCity Bus Assistance Program	20.509	ICB CY12 Sioux City	8,820	-	7,160
DEPARTMENT OF PUBLIC SAFETY					
Passed through Governor's Traffic Safety Bureau					
Alcohol Incentive Grant	20.601	PAP 11-410, Task 70	34,250	28,813	18,105
	20.601	PAP 12-410, Task 66	38,800	11,779	19,284
ENVIRONMENTAL PROTECTION AGENCY					
Passed through Department of Natural Resources					
Clean Water State Revolving Fund Program	66.458	CS192415 01	31,000,000	1,428,643	1,428,643
Drinking Water State Revolving Fund Program	66.468	FS-97-10-DWSRF-040	\$ 30,618,000	\$ 13,982,038	\$ 13,982,038

CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2012

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
ENVIRONMENTAL PROTECTION AGENCY					
Brownfield Revolving Loan Fund	66.818	BF97710301	\$ 14,144	\$ 4,864	\$ 864
Brownfield Revolving Loan Fund	66.818	ARRA 2B-97709201	558,987	78,470	88,910
U.S. DEPARTMENT OF ENERGY					
Energy Efficiency & Conversation Block Grant	81.128	ARRA SC0003029	801,300	224,858	236,360
Energy Efficiency Conservation Block Grant	81.128	ARRA EECBG 10-3161	244,800	32,904	165,404
OFFICE OF NATIONAL DRUG CONTROL POLICY					
High Intensity Drug Trafficking Area/HIDTA	95.001	G10MW0002A	151,396	21,332	5,668
	95.001	SupplementG10MW0002A	5,303	5,303	5,303
	95.001	G11MW0002A	142,700	140,456	53,140
	95.001	SupplementG11MW0002A	24,186	15,816	21,403
	95.001	G12MW0002A	142,700	42,463	83,065
U.S. DEPARTMENT OF HOMELAND SECURITY					
Public Assistance Grant Program	97.036	DR-1998	2,418,935	846,742	2,000,945
Assistance to Firefighths Program	97.044	EMW-2010-FP-00865	14,000	14,000	11,950
Urban Search & Rescue Task Force	97.067	2007-GE-T7-0032-019	200,000	-	-
	97.067	2008-GE-T8-2008-019	133,450	133,450	36,774
	97.067	2009-SS-T9-0034-018	222,500	41,013	116,579
	97.067	2010-SS-T0-0031-023	268,467	-	95,965
	97.090	HSTS0208HSLR274	\$ 519,766	130,088	88,918
Law Enforcement Officer Reimbursement					
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$ 34,044,834	\$ 35,657,483

CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2012

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
STATE AWARDS					
IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT/DEPARTMENT OF TOURISM					
Vision Iowa		09-CAT-027	\$ 2,000,000	\$ 17,896	\$ -
		10-CAT-002	266,446	33,221	30,203
IOWA DEPARTMENT OF TRANSPORTATION					
STA Joint Participation Agreement		STA-FORM-705-FY12	304,951	304,951	304,951
		STA-SPEC-705-FY09	2,432	480	19
Commercial Air Service Vertical Infrastructure		9I110SUX200	112,953	72,706	47,245
		9I120SUX100	118,196	118,196	118,196
Air Service Development Program		9I120SUX135	28,000	-	17,376
Revitalize Iowa's Sound Economy Program		RM7057(666)9D97	505,110	252,555	-
		RM7057(673)9D97	4,791,519	261,673	630,768
		RM7057(675)9D97	665,677	-	43,049
I-29/Hamilton Blvd Interchange		IMN297(28)149OE97(ROW)	81,669	-	-
Rebuild Iowa Infrastructure Fund		S397A090016A	451,789	-	-
Keep Iowa Beautiful Program		2009	3,000	-	932
IOWA FINANCE AUTHORITY					
I-JOBS Water Quality Financial Assistance		WQ-01	8,000,000	188,900	-
I-JOBS II Program Grant		270-Sioux City-DPSP	3,800,000	50,461	284,899
STATE HISTORICAL SOCIETY					
REAP/HRDP		HRDP 2012-039	3,136	1,568	2,753
STATE LIBRARY OF IOWA					
Enrich Iowa		FY2011 Direct Aid	15,779	-	13,317
		FY2012 Direct Aid	11,130	11,130	-
IOWA DEPARTMENT OF NATURAL RESOURCES					
Iowa Brownfield Redevelopment Program		11-7540-35	3,500	3,500	3,500
Toxic Cleanup Day		12-G340-24	\$ 1,936	-	1,936
TOTAL STATE FINANCIAL ASSISTANCE				<u>1,317,237</u>	<u>1,499,144</u>
TOTAL FEDERAL & STATE FINANCIAL ASSISTANCE				<u>\$ 35,362,071</u>	<u>\$ 37,156,627</u>

CITY OF SIOUX CITY, IOWA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012

(1) The reporting entity for purposes of the Schedule of Expenditures of Federal Awards is the same as used for reporting on the comprehensive annual financial report.

(2) The Schedule of Expenditures of Federal Awards is prepared on the cash basis of accounting.

(3) The City administers various loan programs, including the collection of principal and interest, for the Federal government. The outstanding balances of these programs at June 30, 2012, are:

	<u>Balance</u>
CDBG loans	\$359,051
CDBG deferred loans	582,011

(4) The City accepts and approves loan applications under the Section 312 loan program. However, the proceeds of loans from the Federal government and repayment to the Federal government are not administered by the City and are not included in the current year activity for purposes of the Schedule of Expenditures of Federal Awards.

CITY OF SIOUX CITY, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

I. Summary of Auditor's Results

- a. Unqualified opinions were issued on the financial statements.
- b. A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements, including a material weakness.
- c. No noncompliance which is material to the financial statements was disclosed.
- d. No material weaknesses in internal control over major programs were disclosed.
- e. An unqualified opinion was issued on compliance with requirements applicable to each major program.
- f. The Audit disclosed no audit findings which were required to be reported in accordance with OMB Circular A-133 section .510(a).

g. Major programs:

Community Development Block Grant Entitlement/Recovery	CFDA #14.218/14.253
Section 8 Voucher Program	CFDA #14.871
Airport Improvement Grant	CFDA #20.106
Highway Planning and Construction	CFDA #20.205
Federal Transit – Capital Investment/Formula Grants	CFDA #20.500/20.507
Capitalization Grants for Clean Water State Revolving Funds	CFDA #66.458
Capitalization Grants for Drinking Water State Revolving Funds	CFDA #66.468
Disaster Grants – Public Assistance	CFDA #97.036

- h. Dollar threshold used to distinguish between Type A and Type B programs \$607,404.
- i. The Auditee did not qualify as a low-risk auditee under Section .530 of OMB Circular A-133.

II. Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards

Instances of Non-Compliance:

No matters were reported.
There were no prior year audit findings.

Internal Control Deficiencies:

Significant Deficiency:

- II-A-12 Financial Reporting – It was found that journal entries were required to properly reflect receivable and debt amounts. Adjustments were subsequently made by the City to properly include these corrections in the financial statements.

CITY OF SIOUX CITY, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

II. Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards – (continued)

Recommendation – While we recognize that the benefits of internal controls must outweigh their cost and that no matter the complexity of controls that may be in place, the opportunity for calculation errors still exist. We recommend that the City implement additional reviews over accrual entries to ensure proper internal controls are present in all aspects of the financial reporting process.

Response – We will review our current procedures to identify where weaknesses are occurring and will take the necessary action to ensure proper amounts are recorded in the financial statements in the future.

Conclusion – Response accepted.

III. Findings and Questioned Costs Relating to Federal Awards

Instances of Non-Compliance:

No Matters Were Noted.

Internal Control Deficiencies:

No material weaknesses in internal control over the major programs were noted.

IV. Other Findings Related to Required Statutory Reporting

12-IV-A – Certified Budget – City expenditures during the year ended June 30, 2011 did not exceed the amounts budgeted.

12-IV-B – Travel Expense – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

12-IV-C – Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. However, we recommend that the amount of coverage be reviewed annually to insure that the coverage is adequate for current operations.

12-IV-D – Council Minutes – We noted no transactions requiring approval, which had not been approved by the City Council.

12-IV-E – Questionable Expenditures – We noted no questionable expenditures during our audit.

12-IV-F – Revenue Bonds – No violations of revenue bond resolutions were noted.

12-IV-G – Business Transactions – No business transactions between the City and City officials or employees were noted.

11-IV-H – Cash and Investments – We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.

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CITY OF SIOUX CITY, IOWA
PASSENGER FACILITY CHARGES

PFC Revenue and Disbursement Schedule
Sioux Gateway Airport/Col. Bud Day Field Airport Authority
07/01/11 - 06/30/12

	FY-11 Program Total	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-12 Total	FY-12 Program Total
Revenue:							
Collections	\$ 3,356,681	\$ 27,848	\$ 32,283	\$ 21,677	\$ 30,790	\$ 112,598	\$ 3,469,279
Interest	1,676	-	-	-	-	-	1,676
Total Revenue	3,358,357	27,848	32,283	21,677	30,790	112,598	3,470,955
Disbursements:							
Application #1							
Taxiway C Extension	71,875	-	-	-	-	-	71,875
Snow Equip. & Fencing	38,347	-	-	-	-	-	38,347
Security Access	62,803	-	-	-	-	-	62,803
Snow Sweeper	21,000	-	-	-	-	-	21,000
Taxiway A & E	10,440	-	-	-	-	-	10,440
Total Application #1	204,465	-	-	-	-	-	204,465
Application #2							
Term. Access Road	493,138	-	-	-	-	-	493,138
Financing & Interest	243,428	-	-	-	-	-	243,428
Airfield Signage/Marking	61,160	-	-	-	-	-	61,160
Financing & Interest	30,316	-	-	-	-	-	30,316
Snow Removal Equip.	6,240	-	-	-	-	-	6,240
Runway 13/31 Rehab.	528,087	-	-	-	-	-	528,087
Financing & Interest	260,690	-	-	-	-	-	260,690
Total Application #2	1,623,059	-	-	-	-	-	1,623,059
Application #3							
Taxiway Alpha	134,515	-	-	-	-	-	134,515
Financing & Interest	53,363	-	-	-	-	-	53,363
Taxiway Echo	60,200	-	-	-	-	-	60,200
Financing & Interest	23,887	-	-	-	-	-	23,887
AirCarrier (SIDA) Ramp	246,600	-	-	-	-	-	246,600
Financing & Interest	97,806	-	-	-	-	-	97,806
Taxiway Bravo	15,400	-	-	-	-	-	15,400
Financing & Interest	6,058	-	-	-	-	-	6,058
Taxiway Charlie	139,200	-	-	-	-	-	139,200
Financing & Interest	55,204	-	-	-	-	-	55,204
Snow Plow (#29) Replace	20,990	-	-	-	-	-	20,990
Financing & Interest	8,327	-	-	-	-	-	8,327
Airport Master Plan	15,000	-	-	-	-	-	15,000
Financing & Interest	5,951	-	-	-	-	-	5,951
Taxiway A & E Constr. (impose)	-	-	-	-	-	-	-
Financing & Interest (impose)	-	-	-	-	-	-	-
Total Application #3	882,501	-	-	-	-	-	882,501
Application #4							
Taxiway Bravo	4,466	-	-	-	-	-	4,466
Financing & Interest	1,757	-	-	-	-	-	1,757
Taxiway Charlie & Air Carrier Ramp	111,882	-	-	-	-	-	111,882
Financing & Interest	44,373	-	-	-	-	-	44,373
Airport Master Plan	4,350	-	-	-	-	-	4,350
Financing & Interest	1,726	-	-	-	-	-	1,726
Snow Plow (#29) Replacement	6,087	-	-	-	-	-	6,087
Financing & Interest	2,415	-	-	-	-	-	2,415
Reconstruct Alpha South & Echo	58,021	-	-	-	-	-	58,021
Financing & Interest	23,018	-	-	-	-	-	23,018
Total Application #4	258,095	-	-	-	-	-	258,095
Application #5							
Terminal Concept Plan	8,149	-	-	-	-	-	8,149
Financing & Interest	2,119	-	-	-	-	-	2,119
Acquire and Modify Loading Bridge	49,230	-	-	-	-	-	49,230
Financing & Interest	12,800	-	-	-	-	-	12,800
Construct Terminal Entrance Road	76,510	-	-	-	-	-	76,510
Financing & Interest	19,893	-	-	-	-	-	19,893
Acquire Snow Removal Equipment	54,313	-	-	-	-	-	54,313
Financing & Interest	14,121	-	-	-	-	-	14,121
Rehabilitate Aircraft Parking Apron	59,073	-	-	-	-	-	59,073
Financing & Interest	15,359	-	-	-	-	-	15,359
Acquire Land for Runway 13 RPZ	29,919	-	-	-	-	-	29,919
Financing & Interest	7,779	-	-	-	-	-	7,779

PFC Revenue and Disbursement Schedule
Sioux Gateway Airport/Col. Bud Day Field Airport Authority
07/01/11 - 06/30/12

	FY-11 Program Total	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-12 Total	FY-12 Program Total
Acquire Replace Snow Plow Truck	15,155					-	15,155
Financing & Interest	3,940					-	3,940
Extend Taxiway C (include perimeter ro	21,877	27,848	32,283	21,677	30,790	112,598	134,475
Financing & Interest	-					-	-
Acquire Replacement Snow Blower	-					-	-
Financing & Interest	-					-	-
Total Application #5	390,237	27,848	32,283	21,677	30,790	112,598	502,835
Total Disbursements	3,358,357	27,848	32,283	21,677	30,790	112,598	3,470,955
Net PFC Revenue (rev. - disb.)							
PFC Account Balance	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---

Notes:

- Schedule is presented on the cash basis of accounting.

CITY OF SIOUX CITY, IOWA
REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A133

**Report on Compliance with Requirements That Could Have a Direct
and Material Effect on Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133**

The Honorable City Council
of the City of Sioux City, Iowa:

Compliance

We have audited the compliance of the City of Sioux City, Iowa (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Sioux City's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of the members of the City Council, management and others within the City of Sioux City, Iowa, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Williams & Company, P.C.
Certified Public Accountants

October 29, 2012
Sioux City, Iowa

CITY OF SIOUX CITY, IOWA
REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS



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**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

The Honorable City Council
of the City of Sioux City, Iowa:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sioux City, Iowa (the City) as of and for the year ended June 30, 2012 which collectively comprise the City's basic financial statements and have issued our report thereon dated October 29, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the City of Sioux City, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Sioux City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Sioux City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Sioux City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency in internal control described in the accompanying schedule of findings and questioned costs as item II-A-12 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the members of the City Council, management and others within the City of Sioux City, Iowa, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

William & Company, P.C.
Certified Public Accountants

October 29, 2012
Sioux City, Iowa